

RR Donnelley & Sons Co
Form DEF 14A
April 08, 2019
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 14A
(RULE 14a-101)
INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to Section 240.14a-11(c) or Section 240.14a-12

R. R. Donnelley & Sons Company

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form of Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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WHEN:	WHERE	RECORD DATE
Thursday, May 16, 2019	Hotel Arista	The close of business
11 a.m. Central time	2139 City Gate Lane	March 29, 2019
	Naperville, Illinois 60563	

Dear Stockholders:

We are pleased to invite you to the R. R. Donnelley & Sons Company 2019 Annual Meeting of Stockholders.

Items of Business

- Item 1. To elect the nominees identified in this proxy statement to serve as directors until the 2020 Annual Meeting of Stockholders
- Item 2. To approve, on an advisory basis, the compensation of our named executive officers
- Item 3. To approve the Amended and Restated 2017 Performance Incentive Plan
- Item 4. To ratify the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm
- Item 5. To transact other business as may properly come before the meeting and any adjournments or postponements of the meeting

Stockholders of record as of the close of business on March 29, 2019 are entitled to vote at the 2019 Annual Meeting of Stockholders and any postponement or adjournment thereof. On the record date, there were 70,828,621 shares of common stock of R. R. Donnelley & Sons Company ("RRD" or the "Company") issued and outstanding and entitled to vote at the meeting.

Your vote is important! We strongly encourage you to exercise your right to vote as a stockholder. Please sign, date and return the enclosed proxy card or voting instruction card in the envelope provided. You may also vote by calling

the toll-free number or logging on to the Internet even if you plan to attend the meeting. You may revoke your proxy at any time before it is exercised.

You will find instructions on how to vote on page 52. While most stockholders vote by proxy and do not attend the meeting in person, as long as you were a stockholder at the close of business on March 29, 2019, you are invited to attend the meeting, or to send a representative. Please note that only persons with an admission ticket or evidence of stock ownership, or who are guests of the Company, will be admitted to the meeting.

By Order of the Board of Directors,

Deborah L. Steiner

General Counsel and Corporate Secretary

April 8, 2019

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting To Be Held on May 16, 2019

This proxy statement and our annual report to stockholders are available at www.rrd.com/proxymaterials. On this site, you will be able to access our 2019 Proxy Statement and our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, and all amendments or supplements to the foregoing materials that are required to be furnished to stockholders.

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1. ELECTION OF DIRECTORS

Each director will serve until the next annual meeting of stockholders and until a successor is elected and qualified, or until such director's earlier resignation, removal, or death.

The composition of the board of directors (Board) represents a wide range of qualifications, experiences, and skills that bring diversity of thought and perspectives. Described below are certain individual qualifications, experiences and skills of our directors that contribute to the Board's effectiveness as a whole.

This proxy statement is issued by RRD in connection with the 2019 Annual Meeting of Stockholders scheduled for May 16, 2019. This proxy statement and accompanying proxy card are first being mailed to stockholders on or about April 8, 2019.

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PROPOSALS: 1. Election of Directors

The names of the nominees, along with their present positions, their principal occupations, their current directorships held with other public corporations, as well as such directorships held during the past five years, their ages, the year first elected as a director and the qualifications, experience, skills and attributes that qualify each director to serve on the Board at this time are set forth below.

Daniel L. Knotts

Daniel L. Knotts has served as a member of our Board since 2016.

Current Directorships:

None

Since October 2016, Mr. Knotts has been the Chief Executive Officer of R.R. Donnelley. Prior to that, Mr. Knotts was the Company's Chief Operating Officer since 2013. He served as Group President from 2008 until 2012 and, from 2007 until 2008, he served as Chief Operating Officer of the Global Print Solutions business. From 1986 until 2007, Mr. Knotts held positions of increasing responsibility at R.R. Donnelley within finance, operations, sales management and business unit leadership at various locations in the United States including serving as Senior Vice President of Operations for the Magazine business, President of the Specialized Publishing Services business and President of the Magazine, Catalog and Retail businesses.

Former Directorships:

None

Age: 54

Qualifications:

Mr. Knotts brings over 30 years of experience in the printing industry. He has served in various operational and leadership capacities throughout the Company and his deep knowledge of the industry and RRD give him unique strategic insights.

Director since: 2016

John C. Pope

John C. Pope is the Chair of our Board. Mr. Pope has been a member of our Board since 2004.

Current Directorships:

The Kraft Heinz Company
Talgo SA

Waste Management, Inc.

Mr. Pope has served as the Chairman of PFI Group, LLC, a private investment company, since 1994. From 1988 until 1994, Mr. Pope served in various capacities at United Airlines and its parent company UAL Corporation, including serving as President, Chief Operating Officer and a director.

Former Directorships:

Con-way, Inc.

Dollar Thrifty Automotive
Group, Inc.

Navistar International
Corporation MotivePower
Industries

Qualifications:

Mr. Pope's experience as chairman and senior executive of various public companies provides financial, strategic and operational leadership experience. He is an audit committee financial expert based on his experience as chief financial officer of a public company as well as his experience as a member and chairman of other public company audit committees. He has considerable corporate governance experience through years of service on other public company boards in a variety of industries.

Age: 70

Director since: 2004

Irene M. Esteves

Irene M. Esteves has served as a member of our Board since 2017.

Current Directorships:

Aramark

KKR Real Estate Finance
Trust Inc.

Ms. Esteves serves as a member of our Human Resources Committee and Audit Committee. Ms. Esteves most recently served as Chief Financial Officer of Time Warner Cable Inc. from July 2011 to May 2013. She previously served as Executive Vice President and Chief Financial Officer of XL Group plc and prior to that position, Ms. Esteves was Senior Vice President and Chief Financial Officer of Regions Financial Corporation.

Spirit AeroSystems Holdings, Inc.

Qualifications:

Ms. Esteves' experience as chief financial officer of multiple companies brings deep financial expertise to the Board. She is an audit committee financial expert based on her experience as chief financial officer and brings deep knowledge of financial reporting, internal controls and procedures and risk management to our Board. Ms. Esteves also has considerable corporate governance experience gained through her years of experience on other public company boards.

Former Directorships:

Level 3 Communications

TW Telecom Inc.

Age: 60

Director since: 2017

**BOARD SKILLS
KEY**

Financial Global Business Governance Leadership Sales & Marketing Strategy

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PROPOSALS: 1. Election of Directors

Susan M. Gianinno

Susan M. Gianinno has served as a member of our Board since 2013. Ms. Gianinno is the Chair of our Corporate Responsibility & Governance Committee.

Current Directorships:

None

Ms. Gianinno previously served as the Chairman of Publicis Worldwide, North America, an advertising agency network, and, in 2017, also became the Chairman of Publicis Academy until 2018. She was the Chairman and CEO of Publicis USA from 2003 to 2014. In addition, from 2014 until 2015,

Former Directorships:

A.T. Cross, Inc.

Ms. Gianinno was an Advanced Leadership Fellow at Harvard University. Prior to joining Publicis, Ms. Gianinno was a member of the Executive Committee of BCom3 Group, Inc., an advertising agency, until 2002, and Chairman and President of D Arcy Masius Benton & Bowles, Inc. from 1998 to 2012.

Age: 70

Qualifications:

Ms. Gianinno's experience as chief executive officer and president of various companies in the advertising industry gives the Board a different perspective regarding the ways in which new media, the internet and e-commerce have affected the advertising industry and the broader strategies of the Company's clients.

Director since: 2013

Timothy R. McLevish

Timothy R. McLevish has been a member of our Board since 2016. Mr. McLevish serves as the Chair of our Audit Committee.

Current Directorships:

Kennametal, Inc.

From 2015 until 2016, Mr. McLevish served as Senior Advisor to the Chief Executive Officer of Walgreens Boots Alliance, Inc., a retail drug store chain. Prior to this, he served as their Executive Vice President and Chief Financial Officer from 2014 until 2015. From 2007 to 2014, Mr. McLevish held various

Former Directorships:

positions with Kraft Foods Group, Inc. and its predecessor company Kraft Foods, Inc., manufacturers and marketers of packaged food products, including

ConAgra Foods, Inc.	<p>Mr. McLevish served as Executive Vice President and Chief Financial Officer of Kraft Foods Group from 2012 to 2013, Executive Vice President and advisor to the Chief Executive Officer of Kraft Foods, Inc. from 2011 until 2013 and as Chief Financial Officer of Kraft Foods, Inc. from 2007 to 2011. From 2002 until 2007, Mr. McLevish was the Senior Vice President and Chief Financial Officer of Ingersoll-Rand Company Limited, a diversified industrial company. Mr. McLevish was the Vice President and Chief Financial Officer of Mead Corporation, a manufacturer of wood products, from 1999 to 2002.</p>
Lamb Weston Holdings, Inc.	
URS Corporation	
US Foods, Inc.	

Qualifications:

Age: 64

Mr. McLevish's experience as chief financial officer of multiple multinational companies brings deep financial and global business experience to the Board. He is an audit committee financial expert based on his experience as chief financial officer of public companies and brings deep knowledge of financial reporting, internal controls and procedures and risk management to our Board. Mr. McLevish also has considerable corporate governance experience gained through his years of experience on other public company boards, including serving as the Executive Chairman of the Board of Lamb Weston Holdings, Inc.

Director since: 2016

Jamie Moldafsky

Jamie Moldafsky has been a member of the Board since 2016.

Current Directorships:

None

Ms. Moldafsky has served as the Chief Marketing Officer of Wells Fargo & Company, a global banking and financial services company, since 2011 and Executive Vice President, Sales, Marketing, Strategy & Home Equity from 2005 to 2011. Prior to this, she held various marketing, general management and leadership positions at several companies including Whirlpool Corporation, Charles Schwab Corporation, Applause Enterprises, Inc. and American Express Company.

Former Directorships:

None

Qualifications:

Age: 57

Ms. Moldafsky's extensive sales and marketing experience provides the Board with a combination of operational and strategic insights. Her experience in marketing and digital communications provides leadership and innovative thinking which will further the Company's evolution as a global provider of integrated communications.

Director since: 2016



**BOARD SKILLS
KEY**

Financial Global Business Governance Leadership Sales & Marketing Strategy

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PROPOSALS: 1. Election of Directors

P. Cody Phipps

P. Cody Phipps has been a member of our Board since 2016. Mr. Phipps serves as the Chair of our Human Resources Committee.

Current Directorships:

None

Mr. Phipps previously served as the President, Chief Executive Officer and a member of the board of directors of Owens & Minor, Inc., a medical device and supply company from 2015 to 2018. From 2003 until 2015, Mr. Phipps held various leadership positions at Essendant, Inc. (formerly United Stationers, Inc.), a wholesale distributor of workplace supplies, furniture and equipment, including serving as the President, Chief Executive Officer and member of the board of directors from 2011 to 2015. Previously, he was a Partner at McKinsey & Company, Inc., where he co-founded and led its service strategy and operations initiative, which focused on driving operational improvements in complex service and logistic environments.

Former Directorships:

Owens & Minor, Inc.

Con-Way, Inc.

Essendant, Inc.

Qualifications:

Age: 57

Mr. Phipps' experience as president and chief executive officer of multiple companies helps the Board further the Company's role as a global provider of integrated communications and provides experience in strategic planning and leadership of evolving organizations. His extensive experience as a strategic consultant helps the Board supervise the Company's ongoing drive for operational improvements.

Director since: 2016

**BOARD SKILLS
KEY**

Financial Global Business Governance Leadership Sales & Marketing Strategy

In 2018, the Board met eleven times. Each director of the Company during 2018 attended at least 75% of the total number of meetings of the Board and those committees of which the director was a member during the period he or she served as a director.

If any nominee does not stand for election, proxies voting for that nominee may be voted for a substitute nominee selected by the Board. The Board may also choose to reduce the number of directors to be elected at the meeting.

Only directors that receive a majority of the votes cast **FOR** their election will be elected. In the event that an incumbent director is not re-elected, the Company's *Principles of Corporate Governance* require that director to promptly tender his or her resignation. The Board will accept this resignation unless it determines that the best interests of the Company and its stockholders would not be best served by doing so.

The Board recommends that the stockholders vote FOR each of our nominees for director.

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2. ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

As required by Section 14A of the Securities Exchange Act of 1934 (the Exchange Act), the Company is presenting a proposal that gives stockholders the opportunity to cast an advisory (non-binding) vote on our executive compensation for our named executive officers (our NEOs) by voting for or against (its Say-on-Pay). At the 2017 Annual Meeting, stockholders were asked to vote on an advisory (non-binding) basis on whether the Say-on-Pay vote should be held annually, every two years or every three years. Our stockholders indicated a preference for holding such a vote on an annual basis. As a result of such vote on the frequency of the Say-on-Pay vote, our Board holds an advisory vote to approve our executive compensation every year.

The Company received a 91.7% vote in support of its executive compensation program in the 2018 Say-on-Pay advisory vote. During the course of 2018, the Company continued its practice of engaging with stockholders about various corporate governance topics including executive compensation. The feedback received from investors and the results of past advisory votes were taken into consideration by the Board's Human Resources Committee (the HR Committee) in the review and administration of our program throughout the year and in the full scale evaluation of executive compensation that was conducted in 2018.

As discussed in the *Compensation Discussion and Analysis* beginning on page 22, we believe the 2018 compensation decisions and the overall executive compensation program are tailored to our business strategies, align pay with performance and take into account the feedback received from our investors.

In 2018, compensation for the NEOs was comprised of three major components: base salary, annual incentive compensation and long-term incentive compensation. In addition, the NEOs were eligible to participate in benefit programs generally available to other executives within the Company and other benefits provided to certain executives as further described under *Benefit Programs* beginning on page 28 of this proxy statement.

As in prior years, in addition to the foregoing, RRD's 2018 compensation philosophy was guided by five principles:

to link pay to performance by making a substantial percentage of total executive compensation variable, or at risk, through annual incentive compensation and long-term incentive awards;

to align a significant portion of executive pay with stockholder interests through equity awards and stock ownership requirements;

to base a substantial portion of each NEO's long-term incentive award on achieving or exceeding targeted levels of performance while maintaining a meaningful portion that vests over time and is therefore focused on retention of our top talent;

to establish target compensation levels that are competitive within the industries and markets in which we compete for executive talent; and

to structure compensation so that our executives share in our short- and long-term successes and challenges by varying compensation from target levels based upon business and individual performance. Consistent with our compensation philosophy, RRD has adopted the following compensation best practices:

Clawback Policy	Awards granted under our cash incentive plans, stock option grants and performance shares or other performance-based awards are subject to forfeiture in the case of fraud or intentional misconduct by any executive officer which results in a material restatement of the Company's financial statements. Also, commencing in April 2019, the Company's clawback policy also extends to time-based restricted stock units and applies in cases where fraud has been determined to have occurred, even in the absence of a restatement.
No Tax Gross-Ups	No NEO is entitled to receive gross-ups for excise taxes or gross-ups on any supplemental benefits or perquisites.
No Dividends or Dividend Equivalents	We do not pay or accrue for dividends on performance share units or restricted share units.
Limited Perquisites	We provided limited perquisites to executive officers.
Stock Ownership Guidelines	We have meaningful stock ownership guidelines for the executive officers to further strengthen the alignment of management and stockholder interests.
No Repricing	Our equity plans do not permit option re-pricing or option grants below fair market value.
Risk Management	Employees, directors and certain of their immediate family members are prohibited from pledging, short sales, trading in publicly traded options, puts or calls, hedging or similar transactions with respect to our stock.
Annual Compensation Review	The HR Committee conducts an annual review of the executive compensation program to determine how well actual compensation targets and levels met our overall philosophy and targeted objectives in comparison to both market data and, where available, peer group data.

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PROPOSALS: 2. Advisory Vote to Approve Executive Compensation

This proposal gives our stockholders the opportunity to express their views on the overall compensation of our NEOs and the philosophy, policies and practices described in this proxy statement.

The Say-on-Pay vote is an advisory vote only and, therefore, it will not bind the Company or our Board. However, the Board and the HR Committee will consider the voting results as appropriate when making future decisions regarding executive compensation.

The affirmative vote of the holders of a majority of the shares of the Company's common stock present in person or by proxy at the 2019 Annual Meeting and entitled to vote on the advisory resolution on executive compensation is required to approve the proposal.

For the reasons discussed above, we are asking our stockholders to indicate their support for our NEOs' compensation by voting FOR the following resolution at the 2019 Annual Meeting:

RESOLVED, that the Company's stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in this Proxy Statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission, including the Compensation Discussion & Analysis, the 2018 Summary Compensation Table and the other related tables and disclosures in this Proxy Statement.

The Board recommends that the stockholders vote FOR approval, on an advisory basis, of the compensation of our NEOs as disclosed in this proxy statement.

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3. APPROVAL OF THE AMENDED AND RESTATED 2017 PERFORMANCE INCENTIVE PLAN

The Board of Directors is requesting that stockholders vote in favor of amending and restating the R.R. Donnelley & Sons Company 2017 Performance Incentive Plan (the 2017 PIP). On April 6, 2017, the Board approved the 2017 PIP, which was approved by stockholders at our 2017 Annual Meeting.

On April 4, 2019, our Board approved, subject to stockholder approval at our 2019 Annual Meeting, an amendment and restatement of the 2017 PIP that reflects the following substantive changes:

Increases the authorized number of shares of common stock that may be issued with respect to awards under the 2017 PIP by four million seventy-five thousand (4,075,000) shares.

Eliminates certain obsolete provisions that under prior tax law allowed for certain performance-based awards granted to our senior management to be fully deductible by the Company.

Simplified minimum vesting language to provide for a minimum 1-year of vesting.

In other regards, the 2017 PIP, as proposed to be amended and restated, restates the terms and conditions of the current 2017 PIP. If the stockholders do not approve the amendment and restatement of the 2017 PIP, the 2017 PIP will continue in accordance with its current terms.

The 2017 PIP provides incentives to:

(i) officers, other employees and other persons who provide services to the Company through rewards based upon the ownership or performance of Company common stock as well as other performance based compensation; and

(ii) non-employee directors of the Company through the grant of equity-based awards.

Purposes of the Amended and Restated 2017 PIP

The Board believes that an increase in the number of shares of our common stock authorized under the amended and restated 2017 PIP is advisable to enable the Company to continue to grant equity-based awards. The Board further believes that the provisions of the 2017 PIP are consistent with market practices and will allow us to attract, motivate, reward and retain the broad-based talent critical to achieving our business goals. Stock ownership by employees and directors provides performance incentives and fosters a long-term commitment to our benefit and to the benefit of our stockholders, offers additional incentives to put forth maximum effort for the success of our business and affords our employees and directors an opportunity to acquire a proprietary interest in the Company. If our stockholders do not approve the amended and restated 2017 PIP, then the terms, conditions and current share reserve of the current 2017 PIP will continue in effect, but we will not have a sufficient number of shares available for future grants.

Dilution, Historical Share Usage and Overhang

Dilution. Subject to stockholder approval of the amended and restated 2017 PIP, an estimated 7,300,000 shares of Company common stock will be reserved for issuance under the amended and restated 2017 PIP comprised of 4,075,000 new shares available for awards under the amended and restated 2017 PIP, which, in the aggregate, represents approximately 10.3% of our issued and outstanding shares. The HR Committee and Board of Directors have determined that the dilution and increase in authorized shares falls within competitive market norms and, consistent with the Company's compensation philosophy, will enable future grants that are competitive with the Company's peer group and designed to reward performance and attract and retain talent. The closing trading price of each share of Company stock as of March 8, 2019 was \$4.94.

Except as set forth below, as of March 8, 2019, the Company had:

No shares remain available for future awards under the current 2017 PIP (no shares remain available for future awards under any other plan).

4,083,317 shares of Company common stock subject to outstanding awards, comprised of:

422,074 shares subject to outstanding stock options (vested and unvested), with a weighted average exercise price of \$26.36 and a weighted average remaining contractual term of 2.2 years.

3,661,243 shares subject to outstanding full value awards (including any such awards subject to performance-based vesting requirements).

70,828,621 shares of Company common stock outstanding as of the Record Date.

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The new shares available under the amended and restated 2017 PIP would represent an additional potential equity dilution of approximately 5.8%. Including the shares under the amended and restated 2017 PIP, the potential equity dilution from all equity incentive awards outstanding and available for grant under all of our equity plans would result in a maximum potential equity dilution of approximately 11.5%. The following summarizes current and proposed share reserves and resulting dilution levels as of March 8, 2019:

Variable	Description	# of Shares	Dilution
A.	Shares Available for Grant Under the 2017 PIP	0	0.0%
B.	New Shares Available for Grant Under the Amended and Restated 2017 PIP	4,075,000	5.8%
C.	Total Shares Available for Grant Under the Amended and Restated 2017 PIP (A+B)	4,075,000	5.8%
D.	Current Shares Outstanding	4,083,317	5.8%
E.	Total Shares Authorized Under the Amended and Restated 2017 PIP (C+D)	8,158,317	11.5%

Share Usage. In determining the number of shares to reserve under the amended and restated 2017 PIP, we evaluated the dilution and historic share usage (as described above), run rate and the existing terms of outstanding awards under our equity plans. The annual share usage under our equity plans for the last three fiscal years was as follows:

Variable	Description	2018 Fiscal Year	2017 Fiscal Year	2016 Fiscal Year	Average
A.	Total Shares Granted During Fiscal Year ⁽¹⁾	1,503,980	1,024,000	804,962	1,110,981
B.	Basic Weighted Average Common stock Outstanding	70,563,399	70,200,000	70,021,281	70,261,560
C.	Run Rate (A/B)	2.1%	1.5%	1.1%	1.6%

- (1) Includes the number of full value awards (restricted stock and stock units) granted for such year. Performance share units granted are also included as full value awards. No stock options were granted in the last 3 years. All values in the table above reflect numbers following the Reverse Split (defined below), as applicable. Phantom stock units granted in 2018 are settled in cash, do not provide dividend equivalents and are not included in this table.

New Plan Benefits

The benefits that will be awarded or paid under the Amended and Restated 2017 PIP cannot currently be determined. Awards granted under the Amended and Restated 2017 PIP are within the discretion of the Committee, as applicable, and the Committee has not determined future awards or who might receive them. The plan being acted upon does not have set benefits or amounts, and no grants or awards have been made by the Board or the Committee to date subject to security holder approval.

Description of Material Features of the Amended and Restated 2017 PIP

Under the 2017 PIP, the Company may grant stock options, including incentive stock options, stock appreciation rights (SARs), restricted stock, stock units and cash awards, as discussed in greater detail below. The following description of the 2017 PIP is a summary and is qualified in its entirety by reference to the complete text of the 2017 PIP, as amended and restated, which is attached as Appendix B to this proxy statement.

Participants. Non-employee directors (of which there will be six following the Annual Meeting), employees (approximately 39,500 as of December 31, 2018) and other individuals who provide services to the Company, are eligible to participate in the 2017 PIP. Although individuals other than non-employee directors and employees are eligible to receive awards under the 2017 PIP, there weren t outstanding awards held by any such individuals as of March 8, 2019.

Administration. The 2017 PIP is generally administered by a committee designated by the Board (the Plan Committee), but the Board may, in its discretion, administer the 2017 PIP or grant awards. Each member of the Plan Committee is a director that the Board has determined to be an outside director under Section 162(m) of the Code, a non-employee director under Section 16 of the Exchange Act and independent for purposes of the New York Stock Exchange (the NYSE) listing rules.

The Plan Committee may select eligible participants and determine the terms and conditions of each grant and award. All awards shall have a minimum vesting period of at least one year from the date of grant, except that up to 5% of the shares available for grant may be granted with a vesting period of less than one year, and the Plan Committee may provide for early vesting upon the death, permanent or total disability, retirement or termination of service of the award recipient. Awards become vested on a double trigger basis if the grantee s employment is terminated by the Company without Cause or by the grantee for Good Reason (each as defined in the applicable award agreement) within two years after a Change in Control (as defined in the 2017 PIP).

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PROPOSALS: 3. Approval of the Amended and Restated 2017 Performance Incentive Plan

Each grant and award will be evidenced by an award agreement approved by the Plan Committee. The Plan Committee generally cannot reprice any stock option or other award granted under the 2017 PIP. Except with respect to grants to (i) officers of the Company who are subject to Section 16 of the Exchange Act, or (ii) persons who are not employees of the Company, the Plan Committee may delegate some or all of its power and authority to administer the 2017 PIP to the chief executive officer or other executive officer of the Company.

Available Shares. 7,300,000 shares of Company common stock will be available under the amended and restated 2017 PIP for grants and awards to eligible participants, subject to adjustment in the event of certain corporate transactions that affect the capitalization of the Company. In general, shares subject to a grant or award under the 2017 PIP which are not issued or delivered would again be available for grant. However, shares tendered or withheld upon exercise, vesting, settlement of an award or upon any other event to pay the exercise price or tax withholding and shares purchased by the Company using the proceeds from the exercise of a stock option will not be available for future issuance. Upon exercise of a SAR, the total number of shares remaining available for issuance under the 2017 PIP will be reduced by the gross number of shares for which the SAR is exercised.

Award Limits. With respect to performance awards granted on or before November 2, 2017 which the Plan Committee intends to be fully deductible under Section 162(m) of the Code, as described below, the maximum compensation payable pursuant to such awards granted during any calendar year cannot exceed (i) 900,000 shares of common stock or (ii) \$9,000,000. In addition, no non-employee director may be granted (in any calendar year) compensation with a value in excess of \$1,000,000, with the value of any equity-based awards based on such award's accounting grant date value.

Termination and Amendment. Unless previously terminated by the Board, the 2017 PIP will terminate on the date on which no shares remain available for grants or awards. Termination will not affect the rights of any participant under grants or awards made prior to termination. The Board may amend the 2017 PIP at any time, but no amendment may be made without stockholder approval if required by any applicable law, rule or regulation if it would increase the number of shares of Company common stock available under the 2017 PIP or permit repricing of awards.

Stock Options and Stock Appreciation Rights. The period for the exercise of a non-qualified stock option (other than options granted to non-employee directors) or a SAR, and the option exercise price and base price of an SAR, will be determined by the Plan Committee. The option exercise price and the base price of a SAR will not be less than the fair market value of a share of Company common stock on the date of grant. The exercise of an SAR entitles the holder to receive (subject to withholding taxes) shares of Company common stock, cash or both with a value equal to the excess of the fair market value of a stated number of shares of Company common stock over the SAR base price.

Stock options and SARs must be exercised within ten years of the date of grant, or five years after the date of grant for incentive stock options granted to 10% stockholders. If the recipient of an incentive stock option is a 10% stockholder, the option exercise price will be not less than the price required by the Internal Revenue Code of 1986, as amended (the Code), currently 110% of fair market value on the date of grant.

Performance Awards and Fixed Awards. Under the 2017 PIP, bonus awards, whether performance awards or fixed awards, can be made in (i) cash, (ii) stock units, (iii) restricted shares of Company common stock that are forfeitable and have restrictions on transfer or (iv) any combination of the foregoing.

The performance goals of performance awards must be tied to one or more of the following: net sales; cost of sales; gross profit; earnings from operations; earnings before interest, taxes, depreciation and amortization; earnings before income taxes; earnings before interest and taxes; cash flow measures; return on equity; return on assets; return on net assets employed; return on capital; working capital; leverage ratio; stock price measures; enterprise value; safety measures; net income per common share (basic or diluted); EVA (economic value added); cost reduction goals or, in the case of awards not intended to be qualified performance-based compensation within the meaning of Section 162(m) of the Code, any other similar criteria established by the Plan Committee. The Plan Committee may amend or adjust the performance goals or other terms or conditions of an outstanding award in recognition of unusual, nonrecurring or infrequently occurring events and (ii) has the right to reduce or, in the case of awards that are not intended to qualify for the performance-based compensation exemption under Section 162(m) of the Code, described below, increase the amount payable pursuant to any performance award.

Restricted stock recipients will have the rights of a stockholder, including voting and dividend rights, subject to any restrictions and conditions specified in the award agreement. No dividends, however, will be paid unless and until the underlying shares of restricted stock become vested. Upon termination of any applicable restriction period, including the satisfaction or achievement of required performance goals, shares of common stock will be issued or delivered to the grantee, subject to the Company's right to require payment of any taxes.

Unless otherwise provided by the Plan Committee, recipients of stock units will be credited dividends and other distributions otherwise payable and held until the related stock units become vested and are paid out. Interest may be credited. The grantee will have only the rights of a general unsecured creditor and no rights as a stockholder of the Company until delivery of the shares, cash or other property underlying the award.

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At the time of vesting of a bonus award: (i) the award, if in units, will be paid to the participant in shares of Company common stock, in cash or in a combination thereof, (ii) the award, if a cash bonus award, will be paid to the participant in cash, in shares of Company common stock or in a combination thereof and (iii) shares of restricted common stock issued pursuant to an award will be released from the restrictions.

Awards to Non-Employee Directors. On the date of each Annual Meeting, the Company will make an award under the 2017 PIP to each individual who is, immediately following such annual meeting, a non-employee director. Any such awards will be in the form of stock options, restricted stock, stock units or SARs with a minimum vesting period of one year from the date of grant.

Transferability. Awards granted under the 2017 PIP may be assigned or transferred in the event of death, subject to certain conditions.

Pursuant to SEC rules, the following table sets forth the number of shares subject to equity awards granted under the 2017 PIP from the date the 2017 PIP was initially approved by stockholders through March 8, 2019, exclusive of any awards that were granted but subsequently canceled, forfeited or expired.

Name and Position	Number of	
	Shares Underlying Stock Options	Number of Shares Subject to RSU Awards
Daniel L. Knotts , President and Chief Executive Officer	0	1,739,682
Terry D. Peterson , Executive Vice President and Chief Financial Officer	0	415,125
Kenneth O Brien , Executive Vice President and Chief Information Officer	0	86,468
John P. Pecaric , President RRD Business Services	0	244,974
Douglas Ryan , President RRD Marketing Solutions	0	133,963
All current executive officers as a group (8 persons)	0	3,002,279
All current non-employee directors as a group (6 persons)	0	222,721
All employees as a group (excluding current executive officers) (approximately 39,635 persons)	0	0

Restricted stock units granted include performance-based restricted stock units, determined at maximum performance. The closing price of our Common Stock on March 8, 2019 was \$4.94.

Registration with the SEC

The Company intends to file with the SEC a registration statement on Form S-8 covering the Company's common stock reserved for issuance under the Amended and Restated 2017 PIP.

Equity Compensation Plan Information

The number of shares remaining available for grant under the 2017 PIP, as described above, differs from the numbers reported in the Equity Compensation Plan Information table included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018. Pursuant to SEC disclosure rules, the table in our Annual Report on Form 10-K is dated as of December 31, 2018 and therefore does not take into account our 2019 year-to-date grants. Additional information as of the record date of March 8, 2019 includes:

Plan Category	Number of Securities to Be Issued upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities	
			Weighted-Average Remaining Term of Outstanding Options, Warrants and Rights	Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (1))
	(1)	(2) ^(a)	(3)	(4) ^(b)
Equity compensation plans approved by security holders ^(c)	4,083,317	\$ 26.36	2.2	0

(a) Restricted share units and performance share units were excluded when determining the weighted-average exercise price of outstanding options, warrants and rights.

(b) Following our March 2019 grants, zero shares remain available for issuance under the 2017 PIP.

(c) Includes 1,640,902 shares issuable upon the vesting of RSUs, 2,020,341 shares issuable upon the vesting of PSUs and 422,074 shares issuable upon the exercise of options.

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U.S. Federal Income Tax Consequences

The following is a brief summary of some of the U.S. federal income tax consequences generally arising with respect to grants and awards under the 2017 PIP. This summary is not intended to constitute tax advice, is not intended to be exhaustive and, among other things, does not describe state, local or foreign tax consequences. This section is based on the Code, its legislative history, existing and proposed regulations under the Code and published rulings and court decisions, all as in effect as of the date of this document. These laws are subject to change, possibly on a retroactive basis.

Stock Options. A participant will not recognize any income upon the grant of a non-qualified or incentive stock option. A participant will recognize compensation taxable as ordinary income upon exercise of a non-qualified stock option in an amount equal to the excess of the fair market value of the shares purchased on the date of exercise over their exercise price, and the Company (or one of its subsidiaries) generally will be entitled to a corresponding deduction, except to the extent limited by Section 162(m) of the Code. A participant will not recognize any income (except for purposes of the alternative minimum tax) upon exercise of an incentive stock option. If the shares acquired by exercise of an incentive stock option are held for the longer of two years from the date the option was granted and one year from the date it was exercised, any gain or loss arising from a subsequent disposition of such shares will be treated as long-term capital gain or loss, and neither the Company nor its subsidiaries will be entitled to any deduction. If, however, such shares are disposed of within such one- or two-year periods, then in the year of such disposition the participant will recognize compensation taxable as ordinary income equal to the excess of (A) the lesser of either (i) the amount realized upon such disposition or (ii) the fair market value of such shares on the date of exercise, over (B) the exercise price, and the Company or one of its subsidiaries will be entitled to a corresponding deduction, except to the extent limited by Section 162(m). The participant will also be subject to capital gain tax on the excess, if any, of the amount realized on such disposition over the fair market value of the shares on the date of exercise.

SARs. A participant will not recognize any income upon the grant of SARs. A participant will recognize compensation taxable as ordinary income upon exercise of a SAR in an amount equal to the fair market value of any shares delivered and the amount of cash paid by the Company upon such exercise, and the Company or one of its subsidiaries generally will be entitled to a corresponding deduction, except to the extent limited by Section 162(m).

Restricted Stock. A participant will not recognize any income at the time of the grant of shares of restricted stock (unless the participant makes an election to be taxed at the time of grant), and neither the Company nor its subsidiaries will be entitled to a tax deduction at such time. If the participant elects to be taxed at the time the restricted stock is granted, the participant will recognize compensation taxable as ordinary income at the time of the grant equal to the excess of the fair market value of the shares at such time over the amount, if any, paid for such shares. If such election is not made, a participant will recognize compensation taxable as ordinary income at the time the forfeiture conditions on the restricted stock lapse in an amount equal to the excess of the fair market value of the shares at such time over the amount, if any, paid for such shares. The Company or one of its subsidiaries generally will be entitled to a corresponding deduction at the time the ordinary income is recognized by a participant, except to the extent limited by Section 162(m) of the Code. In addition, a participant receiving dividends with respect to restricted stock for which the above-described election has not been made and prior to the time the forfeiture conditions lapse will recognize compensation taxable as ordinary income, rather than dividend income, in an amount equal to the dividends paid, and the Company or one of its subsidiaries generally will be entitled to a corresponding deduction, except to the extent limited by Section 162(m).

Stock Units. A participant will not recognize any income at the time of the grant of stock units, and neither the Company nor its subsidiaries will be entitled to a tax deduction at such time. A participant will recognize compensation taxable as ordinary income at the time the Company common stock is delivered under the stock units in an amount equal to the fair market value of such shares. The Company or one of its subsidiaries generally will be entitled to a corresponding deduction at the time the ordinary income is recognized by a participant, except to the extent the limit of Section 162(m) of the Code applies. A participant will recognize compensation taxable as ordinary income when amounts equal to dividend equivalents and any other distributions attributable to stock units are paid, and the Company or one of its subsidiaries generally will be entitled to a corresponding deduction, except to the extent limited by Section 162(m).

Cash Bonus Awards. A participant will not recognize any income upon the grant of a bonus award payable in cash, and neither the Company nor its subsidiaries will be entitled to a tax deduction at such time. At the time such award is paid, the participant will recognize compensation taxable as ordinary income in an amount equal to any cash paid by the Company, and the Company or one of its subsidiaries generally will be entitled to a corresponding deduction, except to the extent limited by Section 162(m).

Section 162(m) of the Internal Revenue Code. In general, Section 162(m) of the Code denies the Company a federal income tax deduction for compensation in excess of \$1 million per year paid to any person who is or at any time on or after January 1, 2017 was, the Company's chief executive officer, chief financial officer or one of the three other most highly compensated executive officers of the Company. Performance-based compensation granted on or before November 2, 2017, and not materially modified after that date, is not subject to the \$1 million deduction limit. To qualify as performance-based compensation: (i) the compensation must be subject to achievement of performance goals established by a committee consisting solely of two or more outside directors, (ii) the material terms under which the compensation is to be paid, including the performance goals, must be approved by a majority of the corporation's stockholders and (iii) the Plan Committee must certify that the applicable performance goals were satisfied before payment of any performance-based compensation is made. Certain awards granted by the Company on or before November 2, 2017 are eligible for this exemption, but all

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awards granted after this date are subject to the deduction limit under Section 162(m). The Company reserves the right to pay compensation that is not deductible.

Section 409A. Awards made under the 2017 PIP that are considered to include deferred compensation for purposes of Section 409A of the Code will be interpreted, administered and construed to comply with the requirements of Section 409A to avoid adverse tax consequences to recipients. The Company intends to structure any awards under the 2017 PIP so that the requirements under Section 409A are either satisfied or are not applicable.

The affirmative vote of the holders of a majority of the shares of the Company's common stock present in person or by proxy at the 2017 Annual Meeting and entitled to vote on the proposal is required to approve the amendment and restatement of the 2017 PIP.

The Board of Directors recommends that the stockholders vote FOR the approval of the amendment and restatement of the 2017 Performance Incentive Plan.

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4. RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Proposal 4 is the ratification of the Audit Committee's appointment of Deloitte & Touche LLP as the independent registered public accounting firm to audit the financial statements of the Company for fiscal year 2019. In the event the stockholders fail to ratify the appointment, the Audit Committee will reconsider this appointment. The Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if the Audit Committee determines that such a change would be in the Company's and its stockholders' best interests. Representatives of Deloitte & Touche LLP will be present at the meeting. They will be available to respond to your questions and may make a statement if they desire.

The affirmative vote of the holders of a majority of the shares of the Company's common stock present in person or by proxy at the 2019 Annual Meeting and entitled to vote on the ratification of the appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2019 is required to approve the proposal.

The Board and the Audit Committee recommend that the stockholders vote FOR the ratification of the appointment of Deloitte & Touche LLP as the Company's independent registered public accounting firm for 2019.

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THE BOARD'S COMMITTEES AND THEIR FUNCTIONS

The Board has three standing committees. The members of those committees and the committees' responsibilities are described below. Each committee operates under a written charter that is reviewed annually and is posted on the Company's website at the following address: www.rrd.com. A print copy of each charter is available upon request.

The table below reflects the membership of the committees and their primary responsibilities.

<p>Timothy R. McLevish (Chair)</p> <p>Irene M. Esteves</p> <p>John C. Pope</p>	<p>Assists the Board in its oversight of:</p> <p>(1) the integrity of the Company's financial statements and the Company's accounting and financial reporting processes, internal controls and financial statement audits,</p> <p>(2) the Company's compliance with legal and regulatory requirements,</p> <p>(3) the qualifications and independence of the Company's independent registered public accounting firm, and</p> <p>(4) the performance of the Company's internal audit department and the independent registered public accounting firm.</p> <p>The committee selects, determines fees for, evaluates and, when appropriate, replaces the</p>	<p>As required by its charter, each member of the Audit Committee is independent of the Company, as such term is defined for purposes of the NYSE listing rules and the federal securities laws. The Board has determined that each of Ms. Esteves and Messrs. McLevish and Pope is an audit committee financial expert as such term is defined under the federal securities laws and the NYSE listing rules.</p>
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Company's independent registered public accounting firm. Pursuant to its charter, the Audit Committee is authorized to obtain advice and assistance from internal or external legal, accounting or other advisors and to retain third-party consultants, and has the authority to engage independent auditors for special audits, reviews and other procedures.

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<p>Susan M. Gianinno (Chair)</p> <p>Jamie Moldafsky</p> <p>Jack C. Pope</p>	<p>Makes recommendations to the Board regarding nominees for election to the Board and recommends policies governing matters affecting the Board and its committees</p> <p>Develops and implements governance principles for the Company, the Board and its committees</p> <p>Conducts the regular review of the performance of the Board, its committees and its members</p> <p>Oversees the Company's responsibilities to its employees</p> <p>Oversees the Company's responsibilities to the environment</p> <p>Reviews and recommends to the Board the compensation of outside directors</p>	<p>As required by its charter, each member of the Corporate Responsibility & Governance Committee is independent of the Company, as such term is defined for purposes of the NYSE listing rules and the federal securities laws.</p> <p>Pursuant to its charter, the Corporate Responsibility & Governance Committee is authorized to obtain advice and assistance from outside advisors and to retain third-party consultants. In addition, it has the sole authority to approve the terms and conditions under which it engages director search firms.</p>
<p>P. Cody Phipps (Chair)</p> <p>Irene M. Esteves</p> <p>Susan M. Gianinno</p>	<p>Establishes the Company's overall compensation strategy</p>	<p>As required by its charter, each member of the HR Committee is independent of the Company, as such term is defined for purposes of the NYSE listing rules and the federal securities laws.</p>

<p>Timothy R. McLevish</p>	<p>Establishes the compensation of the Company's chief executive officer, other senior officers and key management employees</p>	<p>In addition, in accordance with NYSE listing rules, the Board considered all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director's ability to be independent from management in connection with the duties of a HR Committee member to affirmatively determine each member of the HR Committee is independent.</p>
	<p>Adopts amendments to, and approves terminations of, the Company's employee benefit plans</p>	

Pursuant to its charter, the HR Committee is authorized to obtain advice and assistance from internal or external legal or other advisors and has the sole authority to engage counsel, experts or consultants in matters related to the compensation of the chief executive officer and other executive officers of the Company (with sole authority to approve any such firm's fees and other retention terms).

Prior to selecting or receiving any advice from any committee advisor (other than in-house legal counsel) and on an annual basis thereafter, the HR Committee must assess the independence of such committee advisors in compliance with any applicable NYSE listing rules and the federal securities laws. The HR Committee must also review and approve, in advance, any engagement of any compensation consultant by the Company for any services other than providing advice to the Committee regarding executive officer compensation. The HR Committee engaged Willis Towers Watson in 2018 as its executive compensation consultant to provide objective analysis, advice and recommendations on executive pay in connection with the HR Committee's decision-making process.

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In 2018, in addition to executive compensation consulting services, Willis Towers Watson provided health and welfare consulting, international pension consulting and compensation survey services.

While Willis Towers Watson provides additional services to the Company (not under the direction of the HR Committee), these services have all been approved by the HR Committee. The HR Committee reviewed the work and services provided by Willis Towers Watson and it has determined that (1) these services were provided on an independent basis and (2) no conflicts of interest exist. Factors considered by the HR Committee in its assessment include:

other services provided to the Company by Willis Towers Watson, of which there were none in 2018;

fees paid by the Company as a percentage of Willis Towers Watson's total revenue;

Willis Towers Watson's policies and procedures that are designed to prevent a conflict of interest and maintain independence between the personnel who provide HR services and those who provide other services;

any business or personal relationships between individual consultants involved in the engagement and HR Committee members;

whether any Company stock is owned by individual consultants involved in the engagement; and

any business or personal relationships between our executive officers and Willis Towers Watson or the individual consultants involved in the engagement.

Willis Towers Watson reported directly to the HR Committee and not to management on executive officer and director compensation matters. The Willis Towers Watson teams that provide health and welfare and international pension consulting services to us are separate from the Willis Towers Watson team that provides executive and director compensation consulting services. Management, including the Company's executive officers, develops preliminary recommendations regarding compensation matters with respect to the executive officers, other than the chief executive officer, for HR Committee review. The HR Committee then reviews management's preliminary recommendations and makes final compensation decisions. Willis Towers Watson advised the HR Committee on the compensation levels of the Company's executive officers and provided advice related to proposed compensation.

For 2019, the Chair of the HR Committee, along with the Board, worked with Willis Tower Watson to develop preliminary recommendations regarding compensation with respect to our chief executive officer. The HR Committee then reviewed these recommendations and made the final compensation decisions with respect to the CEO. All compensation decisions approved by the HR Committee are shared with the Board.

The HR Committee, with the assistance of its consultants, has reviewed and evaluated the Company's executive and employee compensation practices and has concluded, based on this review, that any risks associated with such practices are not likely to have a material adverse effect on the Company. The determination primarily took into account the balance of cash and equity payouts, the balance of annual and long-term incentives, the type of performance metrics used, incentive plan payout leverage, avoidance of uncapped rewards, multi-year vesting for equity awards, use of stock ownership requirements for senior management and the HR Committee's oversight of all executive compensation programs. See *Compensation Discussion and Analysis* beginning on page 22 of this proxy statement for further information regarding executive compensation decisions.

POLICY ON ATTENDANCE AT STOCKHOLDER MEETINGS

Directors are expected to attend in person regularly scheduled meetings of stockholders, except when circumstances prevent such attendance. All of the members of the Board attended the Company's 2018 Annual Meeting in person.

CORPORATE GOVERNANCE

Governance Highlights

The Company has a practice of engaging in dialogue with our stockholders about various corporate governance topics. Insights we have gained from these discussions over the years have been helpful to the Board and its committees as they consider and adopt policies and other governance initiatives. In recent years the Company has undertaken a number of governance initiatives including:

Expiration of the stockholders rights plan (poison pill)

Elimination of a classified board

Adoption of majority voting

Elimination of super majority voting

Amendment of bylaws to allow 10% or greater stockholders to call a special meeting

Adoption of a policy regarding the independence of compensation consultants (which is now a part of the HR Committee charter)

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Adoption of a clawback policy

Term limits for Board and Committee Chairs (further description on page 18 of this proxy statement)

Adoption of Political Activities Disclosure Policy

Split leadership Non-executive Chairman and Chief Executive Officer

All independent directors except for the CEO

Board compensation heavily weighted toward equity

Stock ownership guidelines for senior officers and directors

As described in *Compensation Discussion and Analysis* beginning on page 22 of this proxy statement, during 2018 the Company continued its practice of engaging with stockholders about various corporate governance topics, including executive compensation. The Company takes into account such feedback when reviewing and revising aspects of its governance structure and the executive compensation program.

Principles of Corporate Governance

The Board has adopted a set of *Principles of Corporate Governance* to provide guidelines for the Company and the Board to ensure effective corporate governance. The *Principles of Corporate Governance* cover topics including, but not limited to, director qualification standards, Board and committee composition, director access to management and independent advisors, director orientation and continuing education, director retirement age, succession planning and the annual evaluations of the Board and its committees.

The Corporate Responsibility & Governance Committee is responsible for overseeing and reviewing the *Principles of Corporate Governance* and recommending to the Board any changes to those principles. The full text of the *Principles of Corporate Governance* is available through the Corporate Governance link on the Investors page of the Company's web site at the following address: www.rrd.com and a print copy is available upon request.

Code of Ethics

The Company maintains its *Principles of Ethical Business Conduct* and the policies referred to therein which are applicable to all directors and employees of the Company. In addition, the Company has adopted a *Code of Ethics* that applies to the chief executive officer and senior financial officers. The *Principles of Ethical Business Conduct* and the

Code of Ethics cover all areas of professional conduct, including, but not limited to, conflicts of interest, disclosure obligations, insider trading and confidential information, as well as compliance with all laws, rules and regulations applicable to our business. The Company strongly encourages all employees, officers and directors to promptly report any violations of any of the Company's policies. In the event that an amendment to, or a waiver from, a provision of the *Code of Ethics* is necessary, the Company intends to post such information on its website. The full text of each of the *Principles of Ethical Business Conduct* and our *Code of Ethics* is available through the Corporate Governance link on the Investors page of the Company's web site at the following address: www.rrd.com and a print copy is available upon request.

Independence of Directors

The Company's *Principles of Corporate Governance* provide that the Board must be composed of a majority of independent directors. No director qualifies as independent unless the Board affirmatively determines that the director has no relationship which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. The Board has determined that Messrs. McLevish, Phipps and Pope and Mses. Esteves, Gianinno and Moldafsky are independent in accordance with NYSE requirements and SEC standards. The Board took into account all relevant facts and circumstances in making this determination.

Executive Sessions

The Company's non-management directors meet regularly in executive sessions without management. Executive sessions are led by the chair of the Board. An executive session is held in conjunction with each regularly scheduled Board meeting. Each committee of the Board also meets in executive session without management in conjunction with each regularly scheduled committee meeting and such sessions are led by the committee chair.

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Board Leadership

The Board has determined that having an independent director serve as chair of the Board is in the best interest of stockholders at this time. The structure ensures a greater role for the independent directors in the oversight of the Company and active participation of the independent directors in setting agendas and establishing priorities and procedures for the work of the Board. Based on these factors, the Board believes this is the right model for the Company at this time. The Board periodically reviews its leadership structure. The Board's *Principles of Corporate Governance* provide that, generally, no director may serve as chair of the Board or any committee for more than three years, provided that the Corporate Responsibility & Governance Committee may recommend to the Board, and the Board may approve, a single extension of the term of a chair of the Board or any committee for an additional three years once the chair's initial three-year term has ended and the Corporate Responsibility & Governance Committee may recommend to the Board, and the Board may approve, extending the term of the chair of the Board or any committee beyond six years if it deems such an extension to be in the best interest of the stockholders and the Company. In addition, service as a chair of the Board or any committee prior to the 2014 Annual Meeting shall not be considered for purposes of this limitation.

Board and Committee Evaluations

The Board undertakes a three part annual evaluation process that is coordinated by the chair of the Corporate Responsibility & Governance Committee which includes: (1) Board and committee self-evaluations; (2) evaluations completed by applicable members of management of the Board and its committees; and (3) interviews of each director conducted by a third-party governance expert. Results of the individual written evaluations are shared with the chair of the Corporate Responsibility & Governance Committee, the chair of the Board and the Chief Executive Officer, after which it is determined whether discussions with any individual director concerning performance are necessary. Results are then shared with the chairs of the applicable committees before being sent to the Board and each committee for their review. The Board has used information provided through the evaluation process to continuously improve its functioning.

Board's Role in Risk Oversight

The Board is actively involved in oversight of risks inherent in the operation of the Company's businesses and the implementation of its strategic plan. The Board performs this oversight role by using several different levels of review. In connection with its reviews of the operations of the Company's business units and corporate functions, the Board addresses the primary risks associated with those units and functions, including IT and cybersecurity risks. In addition, the Board reviews the key risks associated with the Company's strategic plan annually and regularly throughout the year as part of its consideration of the strategic direction of the Company as well as reviewing the output of the Company's risk management process each year.

The Board has delegated to the Audit Committee oversight of the Company's risk management process. Among its duties, the Audit Committee reviews with management (a) Company policies with respect to risk assessment and

management of risks that may be material to the Company, (b) the Company's system of disclosure controls and system of internal controls over financial reporting, and (c) the Company's compliance with legal and regulatory requirements, provided that starting in 2018, the Board oversees IT and cyber security risks.

Each of the other Board committees also oversees the management of Company risks that fall within such committee's areas of responsibility. In performing this function, each committee has full access to management, as well as the ability to engage advisors, and each committee reports back to the full Board. The Audit Committee oversees risks related to the Company's financial statements, the financial reporting process, other financial matters, certain compliance issues and accounting and legal matters. The Audit Committee, along with the Corporate Responsibility & Governance Committee, is also responsible for reviewing certain major legislative and regulatory developments that could materially impact the Company's contingent liabilities and risks. The Corporate Responsibility & Governance Committee also oversees risks related to the Company's governance structure and processes, related person transactions, certain compliance issues and Board and committee structure to ensure appropriate oversight of risk. The HR Committee considers risks related to the attraction and retention of key management and employees and risks relating to the design of compensation programs and arrangements, as well as developmental and succession planning for possible successors to the position of chief executive officer and planning for other key senior management positions.

Nomination of Directors

It is the policy of the Corporate Responsibility & Governance Committee to consider candidates for director recommended by stockholders. In order to recommend a candidate, stockholders must submit the individual's name and qualifications in writing to the committee (in care of the Secretary at the Company's principal executive offices at 35 West Wacker Drive, 36th Floor, Chicago, Illinois 60601) and otherwise in accordance with the procedures outlined under *Submitting Stockholder Proposals and Nominations for 2020 Annual Meeting* on page 54 of this proxy statement. The committee evaluates candidates recommended for director by stockholders in the same

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COMPANY INFORMATION

way that it evaluates any other candidate. The committee also considers candidates recommended by management and members of the Board as well as nominees recommended by stockholders.

In identifying and evaluating nominees for director, the committee takes into account the applicable requirements for directors under the listing rules of the NYSE. In addition, the committee considers other criteria as it deems appropriate and which may vary over time depending on the Board's needs, including certain core competencies and other criteria such as the personal and professional qualities, experience and education of the nominees, as well as the mix of skills and experience on the Board prior to and after the addition of the nominees. Although not part of any formal policy, the goal of the committee is a balanced and diverse Board, with members whose skills, viewpoint, background and experience complement each other and, together, contribute to the Board's effectiveness as a whole.

The Corporate Responsibility & Governance Committee from time to time has engaged third-party search firms to identify candidates for director, and has used search firms to do preliminary interviews and background and reference reviews of prospective candidates.

Communications with the Board of Directors

The Board has established procedures for stockholders and other interested parties to communicate with the Board. A stockholder or other interested party may contact the Board by writing to the chair of the Corporate Responsibility & Governance Committee or the other non-management members of the Board to their attention at the Company's principal executive offices at 35 West Wacker Drive, 36th Floor, Chicago, Illinois 60601. Any stockholder must include the number of shares of the Company's common stock he or she holds and any interested party must detail his or her relationship with the Company in any communication to the Board. Communications received in writing are distributed to the chair of the Corporate Responsibility & Governance Committee or non-management directors of the Board as a group, as appropriate, unless such communications are considered, in the reasonable judgment of the Company's Secretary, improper for submission to the intended recipient(s). Examples of communications that would be considered improper for submission include, without limitation, customer complaints, solicitations, communications that do not relate directly or indirectly to the Company or the Company's business or communications that relate to improper or irrelevant topics.

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Except as noted below, the table below lists the beneficial ownership of common stock as of March 29, 2019 by all directors and nominees, each of the persons named in the tables in the *Executive Compensation* section of this proxy statement, and the directors and executive officers as a group. The table also lists all institutions and individuals known to hold more than 5% of the Company's common stock, which information has been obtained from filings pursuant to Sections 13(d) and (g) of the Exchange Act. Except as otherwise indicated below, each of the entities or persons named in the table has sole voting and investment power with respect to all common stock beneficially owned set forth opposite their name. Unless otherwise indicated, the percentages shown are based on outstanding shares of common stock as of March 29, 2019. Unless otherwise indicated, the business address of each stockholder listed below is RRD, 35 West Wacker Drive, 36th Floor, Chicago, Illinois 60601.

BENEFICIAL STOCK OWNERSHIP OF DIRECTORS, EXECUTIVES AND LARGE STOCKHOLDERS

Name	Shares	Stock		Total Shares	Total Shares ⁽²⁾	% of Total Outstanding
		Restricted Share Units ⁽¹⁾	Exercisable on or Prior to 5/31/19			
Irene M. Esteves		30,086		30,086		*
Susan M. Gianinno	22,789	35,757		58,546	22,789	*
Timothy R. McLevish	20,016	34,566		54,582	20,016	*
Jamie Moldafsky		34,566		34,566		*
P. Cody Phipps		34,566		34,566		*
John C. Pope ⁽³⁾	48,196	108,646		156,662	48,196	*
Daniel L. Knotts	383,249		51,166	383,249	434,413	*
Ken O'Brien	91,530			91,530	91,530	*
John P. Pecaric	54,919			54,919	54,919	*
Terry D. Peterson	66,873			66,873	66,873	*
Douglas Ryan	17,412			17,412	17,412	*
All directors and executive officers as a group	793,312	278,187	51,166	982,991	756,150	*
BlackRock Inc. ⁽⁴⁾	11,582,063			11,582,063	11,582,063	16.3%
Capital World Investors ⁽⁵⁾	5,631,489			5,631,489	5,631,489	7.9%
The Vanguard Group ⁽⁶⁾	5,487,924			5,487,924	5,487,924	7.7%

* Less than one percent.

(1) Includes all outside director restricted share units as such restricted share units are payable in shares of common stock or cash, as determined by the Company, upon termination from the Board of Directors. Includes only those executive officer restricted share units that will vest prior to May 31, 2019.

- (2) Does not include outside director restricted share units because ownership of the units does not confer any right to ownership of the underlying shares.
- (3) Includes 121,196 shares held in trust for Mr. Pope pursuant to a deferred compensation plan.
- (4) Represents shares of RRD's common stock beneficially owned as of December 31, 2018 based on the Schedule 13G/A filed on January 31 2019 by BlackRock Inc. ("BlackRock"). In such filing, BlackRock lists its principal business address at 55 East 52nd Street, New York, New York 10055 and indicates that it has sole investment authority over all shares and sole voting authority over 11,364,772 shares.

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STOCK OWNERSHIP

- (5) Represents shares of RRD's common stock beneficially owned as of December 31, 2018 based on the Schedule 13G filed on February 14, 2019 by Capital World Investors ("Capital World"). In such filing, Capital World lists its principal business address as 333 South Hope Street, Los Angeles, California 90071 and indicates that it has sole investment authority and sole voting authority over all shares. Capital World is a division of Capital Research and Management Company.
- (6) Represents shares of RRD's common stock beneficially owned as of December 31, 2018 based on the Schedule 13G/A filed on February 12, 2019 by The Vanguard Group ("Vanguard"). In such filing, Vanguard lists its principal business address as 100 Vanguard Blvd., Malvern, Pennsylvania 19355 and indicates that it has sole investment authority over 5,389,121 shares, shared investment authority over 98,803 shares, sole voting authority over 80,473 shares and shared voting authority over 36,188 shares. Beneficial ownership includes 62,615 shares for which Vanguard Fiduciary Trust Company ("VFTC"), a wholly-owned subsidiary of Vanguard, is the beneficial owner as a result of serving as investment manager of collective trust accounts. VFTC directs voting of these shares. Beneficial ownership also includes 54,046 shares for which Vanguard Investments Australia, a wholly-owned subsidiary of Vanguard, is the beneficial owner as a result of its serving as investment manager of Australian investment offerings.

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This Compensation Discussion & Analysis (this CD&A) will describe the material components of the executive compensation program applicable to our named executive officers (our NEOs). While the discussion in the CD&A is focused on our NEOs, many of our executive compensation programs apply broadly across our executive ranks.

Our NEOs for the fiscal year ended December 31, 2018 were:

Daniel L. Knotts, our President and Chief Executive Officer and a member of the Board of Directors;

Terry D. Peterson, our Executive Vice President, Chief Financial Officer;

Ken O'Brien, our Executive Vice President, Chief Information Officer;

John P. Pecaric, our President, RRD Business Services; and

Douglas Ryan, our President, RRD Marketing Solutions.

EXECUTIVE SUMMARY

2018 Performance Overview

2018 marked our second complete fiscal year as a new R. R. Donnelley. Following the spin-off of Donnelly Financial and LSC Communications in October 2016, we became a new company, with a new board of directors, a new management team, a new strategy and (significantly) a new capital structure.

Following a year focused on rebuilding RRD after the spin-offs, we continued to advance our strategy of becoming the preeminent provider of multichannel business services and marketing communications in 2018. Key operational highlights included our:

organizational realignment into two operating segments — marketing solutions and business services;

continued extension of our capabilities as a multichannel business services and marketing communications provider with the introduction of new products such as:

SuperDoc web statement enhancement, which enables companies to digitally communicate account and other information to their customers;

a new voice assistant delivery solution, which enables clients to communicate with their customers via Alexa and Google Voice;

Acuity by RRD, a predictive testing program that enables marketers to predict direct mail performance and validate campaigns pre-production, at a fraction of the price and time; and

continued optimization of our business portfolio, as demonstrated with the third quarter sale of our Print Logistics business; and

reaffirmation of our position as a market-leading provider of mission-critical client-services by securing the \$115 million US Census contract for production in 2019 and 2020.

Our focus on operational excellence, both through strategic, growth and efficiency initiatives, drove our financial results amidst headwinds from ongoing secular pressure in several of our businesses, labor and materials inflation, and the adverse impact of the 2017 Tax Act, which created one-time tax charges, additional tax payments in 2018, and significantly reduced the deductibility of our interest payments and our resulting net income and operating cash flows. Key financial highlights include:

organic sales growth for the second consecutive year of 1.1%⁽¹⁾, our highest annual organic growth rate since 2014;

generation of \$200 million of operating cash flow and a \$115 million reduction, or 6.3%, of our net debt outstanding⁽¹⁾;

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COMPENSATION DISCUSSION & ANALYSIS

non-GAAP adjusted income from operations of \$244 million and non-GAAP adjusted diluted earnings per share of \$0.70⁽¹⁾;

While advancing our strategy and focusing on operational excellence, we also took actions to strengthen our balance sheet with the sale of property in our European business, the announcement of a pending sale of building and land rights in our Asia business, and the sale of our Print Logistics business. In addition to these transactions, we secured \$550 million term loan B financing that allowed us to significantly improve our near term debt profile.

2018 Compensation Highlights

The table below sets forth the key decisions that impacted the compensation of our NEOs in 2018. These decisions were made by our HR Committee and were guided by our compensation philosophy, our actual performance, market pay practices and advice from our independent outside compensation consultant.

**Key 2018
Compensation
Decisions**

Base Salary

All of the NEOs, excluding Mr. Ryan, received base salary adjustments, with increases ranging from 3% to 5%. Mr. Ryan was not eligible given his 4th quarter 2017 hire date. See page 26 for details.

Annual Incentive Plan

Payouts under our AIP were driven by two components – a corporate financial target of achieving non-GAAP Adjusted Income from Operations of \$269.9 million and meeting individual personal performance goals. For 2018, the Company achieved a non-GAAP Adjusted Income from Operations of \$243.8 million. All of the NEOs met their individual performance goals under the AIP with the exception of Mr. Pecaric who missed on one of his metrics. Mr. Ryan received a guaranteed bonus payment based on his employment agreement.

Long-Term Incentive Plan

For equity grants made under our long-term incentive plan in 2018, continuing to more closely align NEO compensation with the interests of our stockholders, the HR Committee issued long-term incentive awards of which 50% were granted as performance stock units (PSUs) and the remaining 50% were granted as restricted stock units (RSUs). The RSUs issued in March 2018 vest over a three year period while the PSUs have a three year performance period which measures the Company s performance against pre-determined cumulative free cash flow.

Stockholder Feedback on Pay Programs

In 2018, we continued our practice of engaging with stockholders about various corporate governance topics including executive compensation. Telephonic meetings were held or offered with significant institutional investors to, among other things, gather additional feedback on our compensation programs. In general, the feedback received from stockholders during these meetings with regard to executive compensation was positive and RRD received 91.7% vote in support of its executive compensation programs in the 2018 Say-on-Pay advisory vote.

Based on our stockholder engagement feedback, as well as our strong Say-on-Pay advisory vote results, we believe our overall executive compensation program was well received by our stockholders as it is tailored to our business strategies, aligned with our pay for performance philosophy and to designed to create long-term value for stockholders.

COMPENSATION PROGRAM DESIGN

Compensation Philosophy

Our executive compensation program is designed to align the interests of our stockholders and executive officers while providing a total compensation package that enables us to attract talent, reward existing talent for past performance and motivate future performance. The HR Committee seeks to ensure that the compensation of our executive officers is tied to the achievement of both short-term and long-term performance objectives intended to drive stockholder value.

(1)Our financial performance targets and results under our incentive plans are sometimes based on non-GAAP financial measures which may be further adjusted as permitted by those plans and approved by the HR Committee. These metrics and the related performance targets are relevant only to our executive compensation program and should not be used or applied in other contexts. Please see Appendix A on page A-1 for a reconciliation of GAAP to non-GAAP amounts.

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COMPENSATION DISCUSSION & ANALYSIS

As a result, our compensation philosophy is guided by four principles:

Market Competitive Provide target compensation levels that are competitive within the industries and markets in which we compete for executive talent

Performance Driven Structure incentive plans so that executives share in successes and challenges by varying compensation from target levels based on achievement of performance objectives aligned with our annual and multi-year strategy

Balanced Link pay to performance by making a substantial percentage of total executive compensation variable, or at risk through an appropriate balance of annual and long-term incentive awards

Stockholder Focused Align a significant portion of executive pay with long-term stockholder interests through equity awards and stock ownership requirements

Best Practices

Our compensation philosophy and the resulting compensation programs incorporate the following best practices:

Clawback Policy

Awards granted under our cash incentive plans, stock option grants and performance shares or other performance-based awards are subject to forfeiture in the case of fraud or intentional misconduct by any executive officer which results in a material restatement of the Company's financial statements. Also, commencing in April 2019, the Company's clawback policy also extends to time-based restricted stock units and applies in cases where fraud has been determined to have occurred, even in the absence of a restatement.

No Tax Gross-Ups

No NEO is entitled to receive gross-ups for excise taxes or gross-ups on any supplemental benefits or perquisites.

No Dividends or Dividend Equivalents

We do not pay or accrue for dividends on performance share units or restricted share units.

Limited Perquisites

We provide limited perquisites to executive officers.

Stock Ownership Guidelines

We have meaningful stock ownership guidelines for the executive officers to further strengthen the alignment of management and stockholder interests.

No Repricing

Our equity plans do not permit option repricing or option grants below fair market value.

Risk Management

Employees, directors and certain of their immediate family members are prohibited from pledging, short sales, trading in publicly traded options, puts or calls, hedging or similar transactions with respect to our stock.

Annual Compensation Review

The HR Committee conducts an annual review of the executive compensation program to determine how well actual compensation targets and levels meet our overall philosophy and targeted objectives in comparison to both market data and, where available, peer group data.

Peer Group

On an annual basis, the HR Committee directs Willis Towers Watson (WTW) to review the Company s compensation peer group. Our 2018 peer group consists of the following 22 companies:

Alliance Data Systems Corporation	Automatic Data Processing, Inc.	Avery Dennison Corporation
Bemis Company, Inc.	Domtar Corporation	Essendant, Inc.
Expeditors International of Washington, Inc.	Fidelity National Information Services, Inc.	First Data Corporation
Fiserv, Inc.	Graphic Packaging Holding Company	Hub Group Inc.
News Corporation	Packaging Corporation of America	Pitney Bowes Inc.
Quad/Graphics, Inc.	Sealed Air Corporation	Sonoco Products Co.
The Interpublic Group of Companies, Inc.	Thomson Reuters Corporation	Veritiv Corporation
Xerox Corporation		

For 2018, CH Robinson Worldwide Inc., WestRock Company and XPO Logistics, Inc. were removed from our peer group due to acquisition activity that is expected to result in revenue far exceeding RRD s revenue. Also, Veritiv Corporation, Domtar Corporation and Xerox Corporation were added to our peer group, as these three companies are a good fit when considering industry and revenue.

Table of Contents**COMPENSATION DISCUSSION & ANALYSIS**

Based on the assessment of both our peer group and market data, each year the HR Committee determines whether the overall executive compensation program is consistent with our business strategy and objectives and promotes RRD's compensation philosophy. In general, compensation levels for our NEOs are targeted at the 50th percentile of target market and peer group data, but the HR committee also takes into account the performance, experience, skills, level of responsibility and future potential of each NEO rather than adhering to a specific benchmarked percentage for any of our NEOs.

2018 COMPENSATION DETAIL

The table below sets forth the elements of our 2018 compensation program for our NEOs.

Component	Description/Rationale	Key Characteristics
Base Salary	Fixed component of pay	Level of responsibility
<i>(See Base Salary on page 26)</i>		
	Stable compensation element	Role, responsibilities, experience and individual performance
		Skills and future potential
		Median of market and peer group data
Annual Incentive Plan	Variable at-risk cash bonus plan	Corporate financial targets are set by the HR Committee at the start of the year
<i>(See Annual Incentive Plan on page 26)</i>		
	Target amount of bonus is determined as a percentage of the individual's base salary	Individual performance goals are set by each NEO in conjunction with his or her manager and are approved by the HR Committee
	Rewards achievement against specific, pre-set annual corporate financial and individual performance goals	

Long-Term Incentive Plan	Subject to a payout which ranges from 0% to 200% of target, with no payout for performance below 80% of the corporate financial target	Award values are determined based on
(See <i>Long-Term Incentive Plan</i> on page 27)	Variable and risk compensation which link awards to RRD's performance to increase alignment with stockholders through the use of PSUs and RSUs	Level of responsibility
	Key component to attract and retain executive officers	Individual skills, experience and performance
	Annual value intended to be a substantial component of overall compensation package for each NEO	Median of peer group and market survey data
		PSUs are tied to achievement of selected financial measures over a three-year performance period and payout can range from 0% to 150%
		RSUs are time-vested over a 3 year vesting period.

Table of Contents**COMPENSATION DISCUSSION & ANALYSIS**

The compensation program for our NEOs is primarily focused on incentive compensation, putting a significant portion of total compensation at risk. Consistent with our philosophy of aligning the compensation of our executive officers with creating long-term value for our stockholders, heaviest weighting is on long-term incentive compensation. The mix of fixed versus variable compensation at target for our NEOs for 2018 was as follows.

Base Salary

In 2018, the base salaries of our NEOs were adjusted in fiscal year 2018, effective April 1, 2018, as Set for the below. In determining such increases the HR Committee, with guidance from our compensation consultant, considered each NEO's then-current base salary against the base salaries of executives in similar positions in our peer group, market data, and each NEO's individual performance, experience, skills, levels of responsibility and future potential.

Name	December 31, 2017	December 31, 2018	Percent Change
Daniel L. Knotts	\$ 950,000	\$ 978,500	3%
Terry D. Peterson	\$ 550,000	\$ 575,000	5%
Kenneth O Brien	\$ 460,000	\$ 475,000	3%
John P. Pecaric	\$ 475,000	\$ 500,000	5%
Douglas Ryan	\$ 550,000	\$ 550,000	0%

Annual Incentive Plan

Consistent with our compensation philosophy, the HR Committee sets the corporate financial target under the AIP for 2018 with the goal of motivating our executive team to meet operational and financial targets to enhance long-term stockholder value. The targets, along with individual performance goals, are set by the HR Committee at the beginning of the year following the presentation of the annual operating budget.

The minimum and maximum payout levels range from 0% to 200% of target, with no payout for performance below 80% of the corporate financial target. NEOs do not receive a payout for achievement of individual performance goals unless the threshold corporate financial target is achieved. Thereafter, individual performance goals can only modify an NEO's AIP payout downward if these individual performance goals are not achieved.

The corporate financial target under the AIP for 2018 was non-GAAP Adjusted Income from Operations. Adjusted Income from Operations is defined as Income from Operations adjusted for specified items including, for example, restructuring and impairment charges, business acquisitions and divestitures and the adoption of new accounting principles. The Company changed the corporate financial target in 2018 from non-GAAP adjusted EBITDA because the Company believes that Adjusted Income from Operations considers the complete operating profitability taking into consideration capital investment actions and is better aligned to how business

Table of Contents**COMPENSATION DISCUSSION & ANALYSIS**

results are presented to stockholders. The non-GAAP adjusted Income from Operations target for 2018 was initially set at \$278.7 million but was subsequently adjusted to \$269.9 million to reflect the impact of the sale of our Print Logistics business. This initial performance level was set by the HR Committee at the beginning of the year after thorough discussion with management regarding the Company's forecasted performance, and was a challenging goal.

The table below sets forth a description of these targets, as well as 2018 achievement levels.

Target	Metric	Achievement
Corporate Financial Target	Adjusted Income from Operations of \$269.9 million at target	Adjusted Income from Operations was \$243.8 million Resulted in an achievement level of 61.4%
Individual Performance Goals	Individual performance goals for our NEOs included achievement of working capital targets, productivity and safety targets, and completion of key strategic initiatives	Most of the NEOs met their individual performance goals under the AIP, as described in the prior row, resulting in no change to the AIP payout percentage of 61.4% based on the corporate financial target. Mr. Pecaric had a slight miss on one of his goals, resulting in an overall payout to [ILLEGIBLE] of 58.8%. Mr. Ryan received a guaranteed bonus payment for 2018 based on his employment agreement.

The AIP percentages and actual 2018 payouts based on the performance described above are shown in the table below:

Name	AIP Target (%)	AIP Payout at Target	Actual Payout (\$)

		(\$)	
Daniel L. Knotts	125%	1,223,125	750,999
Terry D. Peterson	80%	460,000	282,440
Kenneth O Brien	80%	380,000	233,320
John P. Pecaric	80%	400,000	235,285
Doug Ryan			(1)
	80%	440,000	308,000

(1) Payment to Mr. Ryan based on guaranteed first year bonus payout of 70% of payout target.

Long-Term Incentive Plan

In 2018, the HR Committee granted both PSUs and RSUs to our NEOs under the Company's 2017 Performance Incentive Plan with the objective of the RSU grants being retention of key executives and the objective of the PSUs being to more closely align the interests of our NEOs with that of our stockholders. PSUs made up 50% of each grant while RSUs made up the remaining 50% to each NEO who received a grant in 2018. The RSUs issued vest over a three year period. Grants of RSUs and PSUs are made to our NEOs in accordance with a practice of on-going annual grants and were made based on a review by the HR Committee, with guidance from our composition consultant, of grants products executives in similar positions in our peer group, market data, and each NEO's individual performance, experience, skills, level of responsibility and future potential.

The PSUs have a three year performance period which measures the Company's performance against pre-determined cumulative free cash flow targets. Cumulative free cash flow is defined as cash flow from continuing operations less capital expenditures and certain other adjustments. We continue to use cumulative free cash flow as a metric because we believe it appropriately aligns our executive's focus on improving our balance sheet flexibility with investing in our business to drive profitable growth. PSUs can pay out at a range from 0% to 150% of target with no shares earned for performance below 75% of target.

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In 2018, the HR Committee approved the following grants to our NEOs under our long-term incentive program:

Name	Grant (# of PSUs)	Grant (# of RSUs)
Daniel L. Knotts	332,871	332,871
Terry D. Peterson	79,750	79,750
Kenneth O Brien	34,587	34,587
John P. Pecaric	55,478	55,478
Doug Ryan	38,141	38,141

Additional Compensation

Mr. Ryan received an additional cash award which was granted in connection with his hiring in 2017 for which he received payment in the first quarter of 2018.

Benefit Programs

The Company's benefit programs were established based upon an assessment of competitive market factors and a determination of what was needed to retain high-caliber executives. For 2018, our primary benefits for executives included participation in broad-based plans at the same benefit levels as other employees. These plans included: retirement plans, savings plans, health and dental plans and various insurance plans, including disability and life insurance. In addition, certain executives, including certain of our NEOs, are provided with the following benefits:

Supplemental Retirement Plan: A supplemental retirement plan is offered to eligible executives, which is described under *Pension Benefits* beginning on page 37 of this proxy statement. This supplemental retirement plan no longer provides benefit accruals because the underlying pension plan to which it relates was frozen as of December 31, 2011. Prior to that, the supplemental retirement plan took into account compensation above limits imposed by the tax laws and was similar to programs found at many of the companies with which we competed for talent. Prior to December 31, 2011, this benefit was available to all highly paid executives within RRD, including our NEOs. As of December 31, 2018 approximately 39,500 (active and inactive) employees were covered by this plan.

Pension Plan: Because RRD froze its Qualified Retirement Plans (pension plan) as of December 31, 2011, generally no additional benefits will accrue under such plans or the related supplemental retirement plan.

Supplemental Insurance: Additional life and disability insurance is provided to enhance the value of our overall compensation program. The premium cost for these additional benefits is included as taxable income for the NEOs and there is no tax gross-up on this benefit.

Deferred Compensation Plan: The opportunity to defer receiving income and therefore defer taxation on that income, generally until either a number of years chosen by the executive or termination of employment with RRD.

Financial Counseling: Reimbursement of expenses for financial counseling to provide executives with access to an independent financial advisor of their choice. The cost of these services, if utilized, was included as taxable income for the NEO and there was no tax gross-up on this benefit.

Automobile Program: A monthly automobile allowance which provided eligible executives with an opportunity to use their car for both business and personal use in an efficient manner. This allowance was included as taxable income to the respective NEOs and there was no tax gross-up on this benefit.

Executive Physical: Provides for a medical physical examination once per year, including consultations with specialists, dieticians and physiologists, as needed.

EMPLOYMENT ARRANGEMENTS

Each of our NEOs entered into an employment agreement with RRD in connection with the assumption of his or her position. Each employment agreement sets forth, among other things, the NEO's base salary, target annual bonus opportunity, entitlement to participate in the Company's benefit plans, equity awards, certain perquisites and provisions with respect to certain payments and other benefits upon termination of employment under certain circumstances (such as an involuntary separation from service, as set forth in the respective employment agreement). Mr. Knotts is also entitled to enhanced benefits in the event he is terminated without cause or terminates employment for good reason in connection with a change in control (each as defined in the applicable employment agreement). Please see *Potential Payments Upon a Termination or Change in Control* beginning on page 39 of this proxy statement for a description of such provisions. As further described below in *Changes to the Company Compensation Program after Fiscal Year End*, in February 2019, the Company entered into new arrangements with the NEOs other than Mr. Knotts.

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COMPENSATION DISCUSSION & ANALYSIS

CERTAIN OTHER POLICIES

Operation of the Human Resources Committee

The HR Committee establishes and monitors RRD's overall compensation strategy to ensure that our executive compensation program supports our business objectives and specifically establishes the compensation of the CEO, other senior officers and key management employees.

The HR Committee, with the assistance of WTW, works to analyze competitive market data to determine appropriate base salary levels, annual incentive target levels, and long-term incentive target levels for our executives. In conducting market comparisons, the HR Committee seeks to establish compensation levels that approximate the median of the applicable surveys and peer group. The CEO is not a member of the HR Committee and does not vote on matters concerning executive pay.

With respect to our CEO's pay, the HR Committee conducts an annual performance assessment of the CEO and determines appropriate adjustments to all elements of his pay based on his individual performance and the Company's performance.

For the other executive officers, the CEO makes recommendations to the HR Committee for all elements of pay based on individual performance, market data from our peer group and published survey data. The HR Committee reviews, discusses, modifies, and approves, as appropriate, these recommendations.

The diagram below summarizes the HR Committee's annual process for setting executive pay, which begins in July and concludes the following February.

July	<i>Review and discuss timeline for setting executive pay</i>
October	<i>Review market competitive data including applicable compensation surveys and peer comparisons</i>
January	<i>Evaluate overall executive pay program</i>
	Review proposed annual incentive plan design
	Review proposed long-term incentive designs
February	<i>Finalize executive pay</i>
	Review performance results for prior year and approve payouts of prior long-term incentive grants
	Review the Company's fiscal budget plan
	Approve executive base salaries and annual incentive targets and designs

Approve long-term incentive target and designs

At each of its regularly scheduled meetings throughout the year, the HR Committee reviews the Company's performance under outstanding annual and long-term incentive plans.

Role of the Compensation Consultant

Compensation of executive officers was overseen by the HR Committee, which engaged WTW as its executive compensation consultant to provide objective analysis, advice and recommendations on executive officer compensation and related matters in connection with the HR Committee's decision-making process. WTW regularly attended HR Committee meetings, and reported directly to the HR Committee, not to management, on matters relating to compensation for the executive officers.

WTW provided additional services to RRD not under the direction of the HR Committee, which services were pre-approved by the HR Committee. The HR Committee reviewed the work and services provided by WTW and it determined that (a) such services were provided on an independent basis and (b) no conflicts of interest existed. Factors considered by the HR Committee in its assessment include:

1. Other services provided to the Company by WTW;
2. Fees paid by the Company as a percentage of WTW's total revenue;
3. WTW's policies and procedures that are designed to prevent a conflict of interest and maintain independence between the personnel who provide HR services and those who provide these other services;
4. Any business or personal relationships between individual consultants involved in the engagement and HR Committee members;
5. Whether any stock of RRD is owned by individual consultants involved in the engagement; and
6. Any business or personal relationships between the Company's executive officers and WTW or the individual consultants involved in the engagement.

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COMPENSATION DISCUSSION & ANALYSIS

Role of Management

Management, including the CEO and other executive officers, developed preliminary recommendations regarding compensation matters with respect to all executive officers other than the CEO, and provided these recommendations to the HR Committee. The HR Committee then reviewed management's preliminary recommendations and made final compensation decisions, with advice from WTW, as appropriate. The management team was responsible for the administration of the compensation programs once the HR Committee's decisions were finalized.

Risk Assessment

In 2018, the HR Committee, with the assistance of WTW, reviewed and evaluated our executive and employee compensation practices and concluded, based on this review, that any risks associated with such practices are not likely to have a material adverse effect on the Company. The determination primarily took into account the balance of cash and equity payouts, the balance of annual and long-term incentives, the type of performance metrics used, incentive plan payout leverage, possibility that the plan designs could be structured in ways that might encourage gamesmanship, avoidance of uncapped rewards, multi-year vesting for equity awards, use of stock ownership requirements for senior management and the HR Committee's oversight of all executive compensation programs.

Tax Deductibility Policy

Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code) generally limits to \$1 million annually the federal income tax deduction that a publicly held corporation like RRD may claim for compensation payable to certain of its respective current and former executive officers, but that deduction limitation historically did not apply to performance-based compensation that met certain requirements. As part of Tax Cuts and Jobs Act of 2017, Section 162(m) of the Code was amended, effective for taxable years beginning after December 31, 2017, to expand the scope of executive officers subject to the deduction limitation and also to eliminate the performance-based compensation exception, though the exception generally continues to be available on a grandfathered basis to compensation payable under a written binding contract in effect on November 2, 2017 (which has not been subsequently materially amended).

The HR Committee considered the deductibility of compensation for the Company's federal income tax purposes in the design of our programs. In determining compensation for our executive officers, the HR Committee generally considers the extent to which the compensation is deductible, including the effect of Section 162(m) of the Code. In prior years, the HR Committee generally sought to structure some of our executive compensation awards and payments so that they qualified as performance-based compensation exempt from the Section 162(m) of the Code deduction limitation where doing so was consistent with RRD's compensation objectives, but, at the same time, it reserved the right to award nondeductible compensation. The HR Committee continues to evaluate the changes to Section 162(m) of the Code and their significance to RRD's compensation program, but in any event the HR Committee will continue to focus on and prioritize its primary goals of structuring compensation programs to attract, motivate and retain executives as well as ensuring that pay aligns with performance and is in the best interests of RRD.

and its stockholders. Accordingly, achieving these goals may have resulted (and may continue to result, in light of the recent changes in law) in compensation that, in certain cases, is not deductible for federal income tax purposes. The HR Committee did not make significant changes to RRD's executive compensation program for 2018 in response to the changes to Section 162(m) of the Code.

Stock Ownership Guidelines

The HR Committee has established stock ownership guidelines for all NEOs and certain other executives. Consistent with our compensation philosophy, these guidelines are designed to require the Company's executives to have a meaningful equity ownership in RRD, and thereby link their interests with those of our stockholders. These stock ownership guidelines provide that within three years of hire or promotion, all of our NEOs, other than our CEO, must own and retain Company capital stock having a fair market value of 3x their salary and that our CEO must own and retain Company capital stock having a fair market value of 5x his salary. In the event a NEO does not achieve or make progress toward the required stock ownership level, the HR Committee has the discretion to take appropriate action. As of March 31, 2019, all of our NEOs had made appropriate progress toward their ownership guidelines.

Changes to the Company Compensation Program Following Fiscal Year End

In February 2019, the Company entered into with each of its executive officers, including each of the NEOs (other than Mr. Knotts), restated employment letters. Under the terms of the restated employment letters, each of the NEOs (other than Mr. Knotts) is eligible to receive severance under the terms of the R. R. Donnelley Senior Leadership Separation Pay Plan (the "SLSPP") (as further described below), provided that the form and amount of severance will be determined by the applicable provisions of the executive's Change in Control Agreement with the Company if such termination of employment occurs within a two-year period following a Change in Control,

Table of Contents**COMPENSATION DISCUSSION & ANALYSIS**

as defined in the Change in Control Agreement). Under the restated employment letters, each of the NEOs waived his or her rights to any benefits or separation pay under the Company's Separation Pay Plan or any other prior agreement between the Company and the applicable executive officer and agreed to the restrictive covenants and other terms and conditions of the SLSP and the Change in Control Agreement (as described below). In the event an NEO is not entitled to benefits under the terms of the SLSP, the Company may, in its sole discretion, elect to pay such executive officer his or her total monthly compensation (as defined in the restated employment letter), for a twelve or eighteen month period determined at the Company's discretion, in consideration for executive's commitment to a post-termination non-compete of corresponding duration (such provision being the Company Discretionary Noncompete). Other than eligibility to participate in the SLSP, the Company Discretionary Noncompete, and for the benefits provided under the Change in Control Agreement, the benefits and compensation provided under the restated employment letters are substantially similar to those provided to each executive officer previously.

The Company adopted the SLSP in February 2019, the purpose of which is to provide certain severance benefits to key employees of the Company, including the NEOs, other than Mr. Knotts. Under the SLSP, if an eligible employee is terminated without cause or if an eligible employee resigns for good reason (in each case, as defined in the SLSP), each a Qualifying Termination, then, the eligible employee is eligible to receive the following benefits:

1. An amount equal to 1.5X of the eligible employee's annualized total compensation (as defined in the SLSP), payable in equal periodic installments over an 18-month period;
2. A lump-sum amount equal to the amount, if any, that would have been payable to the executive officer under the Company's annual bonus program for the calendar year in which the separation from service occurs had such executive officer remained employed through such calendar year, based on the Company's actual performance and pro-rated based on the number of days the executive officer was employed by the Company during the calendar year (the Pro-Rata Bonus);
3. Continued COBRA coverage (subsidized by the Company at active employee rates) under the Company's medical (including the executive officer physical program), dental and vision plans for 18 months; and
4. Continued coverage (paid by the Company) under the executive officer's separate individual life and disability policies and financial planning benefit, in each case, for 18 months.

All payments and other benefits under the SLSP are subject to applicable withholding obligations and the eligible employee's execution (and nonrevocation) of a release of claims. In addition, the executive officer must execute and comply with a separation agreement, which, among other things, will include restrictive covenants, such as an 18-month post-termination noncompete, an 18-month post termination customer non-solicit, a 24-month post-termination employee non-solicit and a perpetual confidentiality clause.

Change in Control Agreements

Also in February 2019, the Company entered into change in control agreements with each of the NEOs other than Mr. Knotts, which provide for enhanced severance upon a qualifying termination in connection with a change in control (as defined in the change in control agreements). Specifically, in the event of a termination by the Company for reasons other than cause or on account of the executive officer's death, or if the executive officer resigns for good reason (in each case, as defined in the Change in Control Agreement) during the 24-month period following the date of a change in control, the executive officer is eligible to receive:

1. A lump-sum cash payment equal to 2.0X the executive officer's annualized total compensation (as defined in the Change in Control Agreement); provided that, in some instances, such amount may be paid in equal regular installments over a 24-month period;
2. The Pro Rata Bonus;
3. Continued COBRA coverage (subsidized at active employee rates) under the Company's medical (including the executive officer physical program), dental and vision plans for a period of 18 months; and
4. Continued coverage (paid by the Company) under the executive officer's separate individual life and disability policies and the executive officer's financial planning benefit, in each case, for a period of 24 months.

All of the payments and benefits payable under the Change in Control Agreement are conditioned upon the executive officer's execution (and nonrevocation) of a separation agreement and general release. In addition, each of benefits payable under the Change in Control Agreement is subject to the terms and conditions of the SLSPP, as applicable. For example, if the executive officer is entitled to benefits under the Change in Control Agreement, the executive officer will not be entitled to any additional benefits under the SLSPP or the Separation Pay Plan. In addition, the Change in Control Agreement requires compliance with certain restrictive covenants, including, without limitation, an 18-month post-termination noncompete and customer non-solicitation provision, a 24-month post-employment employee non-solicitation provision and a perpetual confidentiality provision.

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COMPENSATION DISCUSSION & ANALYSIS

2019 AIP

In February 2019, the HR Committee set the targets and performance goals for awards to NEOs under the 2019 AIP following the presentation of the annual operating budget. Non-GAAP Adjusted Income from Operations continued to be a corporate financial target under the AIP for 2019 (comprising 60% of the funding pool) and a second corporate financial sales-based target was added for 2019 (comprising 40% of the funding pool). There is a threshold payout if 20% of each of the corporate financial targets is achieved.

The minimum and maximum payout levels range from 0% to 200% of target, with no payout of the Adjusted Income from Operation metric for performance below 80% and no payout of the sales-based metric for performance for performance below 90%. Thereafter, individual performance goals can modify an NEO's AIP payout upward or downward if these individual performance goals are not achieved. Each NEOs target AIP percentage remained the same as in 2018.

2019 Long Term Incentive Awards

In March 2019, the HR Committee also granted long-term incentive awards under the 2017 PIP. Similar to 2018, the HR Committee granted RSUs and PSUs to NEOs for 2019, but in addition to such awards, the HR Committee also granted time-based and performance-based phantom share units that may be settled in cash or shares in the HR Committee's discretion. Similar to time-based RSUs granted in prior years, time-based vesting RSUs and phantom units granted in 2019 will vest annually over three years. Similar to the 2018 PSU grants to NEOs, PSUs and phantom PSUs granted to NEOs in 2019 vest following the three-year performance period based on the Company's achievement of cumulative free cash flow targets over such three-year period.

HUMAN RESOURCES COMMITTEE REPORT

The HR Committee of the Board of Directors of R. R. Donnelley & Sons Company, on behalf of the Board, establishes and monitors the Company's overall compensation strategy to ensure that executive compensation supports the business objectives. In fulfilling its oversight responsibilities, the HR Committee reviewed and discussed with management the Compensation Discussion & Analysis set forth in this proxy statement.

In reliance on the review and discussions referred to above, the HR Committee recommended to the Board that the Compensation Discussion & Analysis be incorporated in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 and the Company's proxy statement to be filed in connection with the Company's 2019 Annual Meeting of Stockholders.

The HR Committee of R. R. Donnelley & Sons Company

P. Cody Phipps, Chairman

Irene M. Esteves

Susan M. Gianinno

Timothy R. McLevish

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The Summary Compensation Table provides compensation information about our principal executive officer, principal financial officer, and the three most highly compensated executive officers other than the principal executive officer and principal financial officer as of December 31, 2018.

2018 SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Salary (\$)	Bonus (\$) ⁽¹⁾	Stock Awards (\$) ⁽²⁾	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$) ⁽³⁾	Change in Pension Value and Nonqualified Deferred Compensation	All Other Compensation (\$) ⁽⁵⁾	Total (\$)
							Earnings		
Daniel L. Knotts President and Chief Executive Officer	2018	971,375		4,061,026		750,999		39,482	5,822,888
	2017	950,000	1,300,000	4,169,980		501,125	157,306	25,300	7,103,711
	2016	781,250	1,125,000	4,354,484		142,025	36,291	32,747	6,471,791
Terry D. Peterson Executive Vice President and Chief Financial Officer	2018	568,750		972,950		282,440		36,067	1,860,207
	2017	550,000	900,000	1,019,321		185,680		51,648	2,706,649
	2016	168,750		1,345,939		13,362		12,618	1,540,669
Kenneth O. Brien Executive Vice President and Chief Information Officer	2018	471,250		421,962		233,320		29,897	1,156,429
John P. Pecaric President RRD Business Services	2018	493,750		676,832		235,285		39,112	1,444,709
	2017	475,000	425,000	741,324		160,360	75,722	38,842	1,916,248
	2016	396,250	250,000	823,567		45,991		267,542	1,783,350
Douglas Ryan President RRD Marketing Solutions	2018	550,000	250,000	465,320		308,000		33,890	1,607,210

- (1) The amounts shown in this column for 2018, 2017 and 2016 constitute long-term incentive compensation paid as cash awards (the Cash Awards) granted under the Company s 2017 Performance Incentive Plan (the 2017 PIP) in 2013 and 2014 of which one-fourth and one-third, respectively, vested on the anniversary of each of the grant dates. The 2018 amount for Mr. Ryan reflects a one-time sign-on bonus that was paid in 2018. The 2017 amount for Mr. Peterson reflects a one-time sign-on bonus that was paid in 2017. The 2016 amounts also include spin cost reduction bonuses in the amount of \$725,000 for Mr. Knotts, and a spin bonus in the amount of \$125,000, for Mr. Pecaric.
- (2) The amounts shown in this column constitute the aggregate grant date fair value of RSUs and PSUs granted during fiscal years 2018, 2017 and 2016 under the 2012 PIP and 2017 PIP. The amounts are valued in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, *Compensation Stock Compensation* (which we refer to as ASC Topic 718). See Note 16 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 for a discussion of the relevant assumptions used in calculating the fair value pursuant to ASC Topic 718. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions. For PSUs granted in 2018, the grant date fair value of such awards, assuming the maximum performance level is achieved, for each NEO is as follows: \$3,045,766 for Mr. Knotts; \$729,712 for Mr. Peterson; \$316,468 for Mr. O Brien; \$507,623 for Mr. Pecaric; and \$348,987 for Mr. Ryan.
- (3) The amounts shown in this column include payments made under our AIP, which is a subplan of each of the 2012 PIP and 2017 PIP. At the outset of each year, the HR Committee sets performance criteria that are used to determine whether and to what extent the NEOs will receive payments under the AIP. See *Compensation Discussion and Analysis* beginning on page 22 of this proxy statement for further information on the 2018 payments.
- (4) The amounts shown in this column include the aggregate of the increase, if any, in actuarial values of each of the named executive officer s benefits under our Pension Plans and Supplemental Pension Plans. Mr. Knotts had a decrease in actuarial value in 2018 in the amount of \$76,881. Mr. O Brien had a decrease in actuarial value in 2018 of \$31,390. Mr. Pecaric had a decrease in actuarial value in 2018 in the amount of \$19,006 and in 2016 in the amount of \$3,119.
- (5) Amounts in this column include the value of the following perquisites provided to the NEOs in 2018: (a) an amount for automobile allowance which is the amount actually paid to each NEO; (b) personal tax/financial advice which is valued at actual amounts paid to each provider of such advice; (c) the premium paid by the Company for group term life insurance and supplemental disability insurance; and (d) imputed income from Company provided life insurance. Mr. Knotts is also able to use certain country clubs at which the Company has a business purpose membership for his personal use but to the extent that there is an incremental cost to the Company, Mr. Knotts reimburses the Company for such personal use.

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The table below provides further detail regarding the perquisites paid to our NEOs in 2018.

Named Executive Officer		Corporate			Personal		Imputed	Total
		Automobile Allowance	Tax/Supplemental Financial Advice	Supplemental Life Insurance Premium	Supplemental Disability Insurance Premium	Income from Company Provided Insurance	Other	
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Daniel L. Knotts	2018	16,800	5,975	2,050	14,450	207		39,482
Terry D. Peterson	2018	16,800	2,750	10,215	6,095	207		36,067
Kenneth O Brien	2018	16,800		3,050	9,660	387		29,897
John P. Pecaric	2018	16,800		12,145	9,510	387		38,842
Douglas Ryan	2018	16,800		6,995	9,708	387		33,890

Table of Contents**EXECUTIVE COMPENSATION****2018 GRANTS OF PLAN-BASED AWARDS**

The following table shows additional information regarding: (i) the threshold, target and maximum level of annual cash incentive awards for our NEOs for performance during 2018 under our AIP; and (ii) restricted share units granted in March 2018 that were awarded to help focus their attention on building stockholder value.

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards ⁽¹⁾			Estimated Future Payouts Under Equity Incentive Plan Awards ⁽²⁾			All Other Stock Awards: Number of Shares of	Grant Date Fair Value
		Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	Stocks or Units (#) ⁽³⁾	and Option Awards ⁽⁴⁾
Daniel L. Knotts	3/2/2018	244,625	1,223,125	2,446,250	166,436	332,871	499,307		2,030,513
	3/2/2018							332,871	2,030,513
Terry D. Peterson	3/2/2018	92,000	460,000	920,000	39,875	79,750	119,625		486,475
	3/2/2018							79,750	486,475
Kenneth O'Brien	3/2/2018	76,000	380,000	760,000	17,294	34,587	51,881		210,981
	3/2/2018							34,587	210,981
John P. Pecaric	3/2/2018	80,000	400,000	800,000	27,739	55,478	83,217		338,416
	3/2/2018							55,478	338,416
Douglas Ryan	3/2/2018	88,000	440,000	880,000	19,071	38,141	57,212		232,660
	3/2/2018							38,141	232,660

(1) In each case, the amount actually earned by each NEO under the Company Annual Incentive Plan is reported as Non-Equity Incentive Plan Compensation in the *2018 Summary Compensation Table*. See *Compensation Discussion and Analysis* beginning on page 22 of this proxy statement for further information on these payments.

- (2) Consists of PSUs awarded under the 2017 PIP. The awards granted on March 2, 2018 vest in full on the third anniversary of the grant date, to the extent earned by performance results. The PSUs can be earned based on a cumulative free cash flow measure over the three-year performance period. The PSUs have no dividend or voting rights and are payable in shares of common stock of the Company upon vesting. If employment terminates by reason of death or disability, the greatest of 50% of target or actual earned units of the unvested portion of the PSUs shall become fully vested. If employment terminates other than for death or disability, the unvested portion of the PSUs will be forfeited. NEO employment agreements provide for accelerated vesting of equity awards under certain circumstances. See *Potential Payments Upon Termination or Change in Control* beginning on page 39 of this proxy statement.

- (3) Consists of RSUs awarded under the 2017 PIP. The awards granted on March 2, 2018 vest in three installments on the anniversary of the grant date. The RSUs have no dividend or voting rights and are payable in shares of common stock of the Company upon vesting. If employment terminates by reason of death or disability, the unvested portion of the RSUs shall become fully vested. If employment terminates other than for death or disability, the unvested portion of the RSUs will be forfeited. NEO employment agreements provide for accelerated vesting of equity awards under certain circumstances. See *Potential Payments Upon Termination or Change in Control* beginning on page 39 of this proxy statement.

- (4) Grant date fair value with respect to the awards is determined in accordance with ASC Topic 718. See Note 16 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018 for a discussion of the relevant assumptions used in calculating grant date fair value pursuant to ASC Topic 718. Pursuant to SEC rules, the amounts shown exclude the impact of estimated forfeitures related to service-based vesting conditions.

Table of Contents**EXECUTIVE COMPENSATION****OUTSTANDING EQUITY AWARDS AT 2018 FISCAL YEAR-END**

The following table shows certain information about unexercised options and unvested stock awards at December 31, 2018. All amounts below have been adjusted to give effect to the 1 for 3 reverse stock split that was effective October 1, 2016.

Name	OPTION AWARDS				STOCK AWARDS			
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#) ⁽²⁾	Market Value of Shares or Units of Stock That Have Not Vested (\$) ⁽³⁾	Equity Incentive Plan Awards: Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) ⁽³⁾⁽⁴⁾
Daniel L. Knotts	14,500	36,666	21.48	3/1/2022				
			32.29	2/25/2020	545,139	2,158,750	460,784	1,824,705
Terry D. Peterson					123,532	489,187	111,017	439,627
Kenneth O'Brien					68,779	272,365	48,799	193,244
John P. Pecaric					93,774	371,345	78,218	309,743
Douglas Ryan					63,882	252,973	38,141	151,038

Note: Multiple awards have been aggregated where the expiration date and the exercise price of the instruments are identical.

- (1) In connection with the Spinoff, certain option awards held by Mr. Knotts were converted and adjusted into options to purchase the common stock of each of the Company, LSC and Donnelley Financial, as applicable. The table above shows only options to purchase shares of RRD. The table below show, Mr. Knotts options to purchase shares of LSC and Donnelley Financial (for the purpose of the below tables, DFS) that resulted from the conversion.

Knotts

Original Grant		Converted RRD Options		Converted LSC Options		Converted D
Options	Exercise Price	# of Options	Exercise Price	# of Options	Exercise Price	# of Options
10,000	\$19.89	36,666	\$32.29	13,750	\$39.52	13,750
58,000	\$13.23	14,500	\$21.48	5,437	\$26.29	5,437

- (2) The following table provides information with respect to the vesting of each NEO s outstanding unvested restricted share units over RRD common stock that are set forth in the above table.

Vesting Date	Knotts	Peterson	O Brien	Pecaric	Ryan
3/2/2019	244,270	37,006	33,948	41,943	12,713
10/1/2019	36,316	22,936	7,034	7,264	0
11/1/2019	0	0	0	0	12,870
3/2/2020	153,596	37,006	16,267	26,074	12,714
11/1/2020	0	0	0	0	12,871
3/2/2021	110,957	26,584	11,530	18,493	12,714

- (3) Assumes a closing price per share of \$3.96 on December 31, 2018, the last trading day of the year.

- (4) Reflects that performance on unearned shares for the 2017 grant is tracking below target for such awards. As such, the value included in this column reflects the target payment value of these unearned shares. Reflects that performance on unearned shares for the 2018 grant is tracking below target for such awards. As such, the value included in this column reflects the target payment value of these unearned shares.

Table of Contents**EXECUTIVE COMPENSATION****2018 OPTION EXERCISES AND STOCK VESTED**

The following table shows information regarding the value of options exercised and restricted stock, restricted share units and performance share units that vested during 2018.

Name	OPTION AWARDS		STOCK AWARDS	
	Number of Shares Acquired on Exercise	Value Realized on Exercise	Number of Shares Acquired on Vesting	Value Realized on Vesting
	(#)	(\$)	(#) ⁽¹⁾	(\$) ⁽²⁾
Daniel L. Knotts			78,953	501,609
Terry D. Peterson			33,358	196,140
Kenneth O Brien			11,771	71,415
John P. Pecaric			14,842	93,388
Douglas Ryan			12,869	78,764

(1) Represents the vesting of RSUs and other similar instruments under the Company's equity plans

(2) Value realized on vesting of RSUs is the fair market value on the date of vesting. For RSUs that vested on March 2, 2018, fair market value is based on the closing price of \$7.31, RSUs that vested on October 1, 2018, fair market value is based on the closing price of \$5.23 and RSUs that vested on November 1, 2018, the fair market value is based on the closing price of \$6.12 as reported on the NYSE.

PENSION BENEFITS

Generally, effective December 31, 2011, the Company froze benefit accruals under all of its then-existing Federal income tax qualified U.S. defined benefit pension plans (collectively referred to as the Qualified Retirement Plans) that were still open to accruals. Therefore, beginning January 1, 2012, participants generally ceased earning additional benefits under the Qualified Retirement Plans. Thereafter, the Qualified Retirement Plans were merged into one Qualified Retirement Plan and generally no new participants will enter this plan. Before the Qualified Retirement Plans were frozen, accrual rates varied based on age and service. Accruals for the plans were calculated using compensation that generally included salary and annual cash bonus awards. The Qualified Retirement Plan is funded entirely by the Company with contributions made to a trust fund from which the benefits of participants are paid.

The amount of annual earnings that may be considered in calculating benefits under a Federal income tax qualified pension plan is limited by law. The U.S. Internal Revenue Code also places other limitations on pensions that can accrue under tax qualified plans. Prior to being frozen, to the extent an employee's pension would have accrued under one of the Qualified Retirement Plans if it were not for such limitations, the additional benefits were accrued under an unfunded supplemental pension plan (referred to as the SERP). On December 31, 2018, approximately 207 individuals were covered by the SERP as active employees or terminated employees with vested benefits who did not

receive payments in 2018, and in 2018 approximately 124 individuals received payments from the SERP. Prior to a change in control of the Company, the SERP is unfunded and provides for payments to be made out of the Company's general assets. Because the Company froze the Qualified Retirement Plans as of December 31, 2011, generally no additional benefits will accrue under the Qualified Retirement Plan or the related SERP.

Some participants in the Qualified Retirement Plan, including those that have a cash balance or pension equity benefit, can elect to receive either a life annuity or a lump sum amount upon termination. Other participants will receive their Qualified Retirement Plan benefit in the form of a life annuity. Under a life annuity benefit, benefits are paid monthly after retirement for the life of the participant or, if the participant is married or chooses an optional benefit form, generally in a reduced amount for the lives of the participant and spouse or other named beneficiary.

Mr. Peterson and Mr. Ryan were hired after the Qualified Retirement Plan was frozen and thus they are not participants in the Qualified Retirement Plan or the SERP. For Messrs. Knotts, O'Brien and Pecaric, the table below shows the present value of their accumulated benefit under the Qualified Retirement Plan and the SERP as of December 31, 2018.

See Note 10 to the Consolidated Financial Statements included in our annual report on Form 10-K for the fiscal year ended December 31, 2018 for a discussion of the relevant assumptions used in calculating the present value of the current accrued benefit with respect to each NEO under the Qualified Retirement Plan and the SERP set forth in the table below.

Table of Contents**EXECUTIVE COMPENSATION****2018 PENSION BENEFITS TABLE**

Name	Plan Name	Number of Years		Present Value of Accumulated Benefit	Payments During Last Fiscal Year
		Credited	Service		
		(#)		(\$)	(\$)
Daniel L. Knotts	Pension Plan	25		\$297,315	
	SERP	25		\$610,321	
Kenneth O Brien	Pension Plan	7		\$109,626	
	SERP	7		\$277,843	
John P. Pecaric	Pension Plan	26		\$324,564	
	SERP	26		\$ 81,787	

NONQUALIFIED DEFERRED COMPENSATION

Under our Deferred Compensation Plan, participants were able to defer up to 50% of base salary and 90% of annual incentive bonus payments under the Deferred Compensation Plan. Deferred amounts are credited with earnings or losses based on the rate of return of mutual funds selected by the executive, which the executive may change at any time. We do not make contributions to participants' accounts under the Deferred Compensation Plan. Participants could elect distribution options ranging from lump sum distribution on the latter of the first day of the year following the year in which the participant's employment with the Company terminated or the six-month anniversary of such termination or distributions quarterly for between 2 and 10 years. The plan also allowed for in service elections which provided a distribution three years after a deferral under certain circumstances. Only Mr. O'Brien participates in the Nonqualified Deferred Compensation Plan.

Name	Executive Contributions in Last FY (\$)	Registrant Contributions in Last FY (\$)	Aggregate Earnings in Last FY (\$)	Aggregate Withdrawals / Distributions (\$)	Aggregate Balance at Last FYE (\$)
Kenneth O Brien					
Deferred Compensation Plan	0	0	\$ (94,457)	0	\$ 1,310,676

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The summary contained in this section reflects the arrangements the Company had in place with its NEOs as December 31, 2018. As described above in *Changes to the Company Compensation Program after Fiscal Year End*, in February 2019, the Company entered into new arrangement with the NEOs, other than Mr. Knotts.

TERMINATION OTHER THAN AFTER A CHANGE IN CONTROL

All of our NEOs have employment agreements with the Company. For each of these NEOs, their employment agreements provide for payments of certain benefits, as described below, upon termination of employment. The NEOs' rights upon a termination of his or her employment depend upon the circumstances of the termination. Central to an understanding of the rights of each NEO under the employment agreements is an understanding of the definitions of *Cause* and, with respect to Mr. Knotts, *Good Reason*, that are used in those agreements. For purposes of the employment agreements:

We have *Cause* to terminate the NEO if the NEO has engaged in any of a list of specified activities, including refusing to substantially perform duties consistent with the scope and nature of his or her position or refusal or failure to attempt in good faith to follow the written direction of the chief executive officer, chief financial officer or the Board, as applicable, committing an act materially injurious (monetarily or otherwise) to us or our subsidiaries, commission of a felony or other actions specified in the definition.

Mr. Knotts has *Good Reason* to terminate his employment (and thereby gain access to the benefits described below) if we assign him duties that represent a material diminution of his duties or responsibilities, reduce his compensation, generally require his principal office to be located other than in or around Chicago, Illinois or materially breach the employment agreement. No NEO other than Mr. Knotts has an employment agreement which provides for rights upon termination for *Good Reason*. The employment agreements for the NEOs require, as a precondition to the receipt of these payments, that the NEO sign a standard form of release in which he or she waives all claims that he or she might have against us and certain associated individuals and entities. The employment agreements also include noncompete and nonsolicit provisions that would apply for a period of one to two years, as set forth in such NEOs' agreement, following the NEOs' termination of employment.

The benefits to be provided to each NEO in each of those situations are described in the tables below, which assume that the termination took place on December 31, 2018.

TERMINATION AFTER A CHANGE IN CONTROL

The employment agreements for our NEOs, other than Mr. Knotts, do not provide for additional payments or acceleration upon a change of control.

Mr. Knotts is not entitled to tax gross-ups upon a termination after a Change in Control (as defined in his employment agreement). Mr. Knotts' employment agreement provides that, if an excise tax is triggered, his Change in Control payments will be reduced below the threshold triggering the excise tax if the net, after-tax benefit to Mr. Knotts is higher.

As with the severance provisions described above, the rights to which Mr. Knotts is entitled under the Change in Control provisions upon a termination of employment are dependent on the circumstances of the termination. The definitions of Cause and Good Reason are the same in this termination scenario as in a termination other than after a Change in Control.

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POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

POTENTIAL PAYMENT OBLIGATIONS UNDER EMPLOYMENT AGREEMENTS UPON TERMINATION OF EMPLOYMENT

The following tables set forth our payment obligations under the employment agreements under the circumstances specified upon a termination of the employment of our NEOs. The tables do not include payments or benefits that do not discriminate in scope, terms or operation in favor of the NEOs and are generally available to all salaried employees, or pension or deferred compensation payments that are discussed in the *Pension Benefits* and *Nonqualified Deferred Compensation* sections beginning on page 37 of this proxy statement.

Unless otherwise noted, the descriptions of the payments below are applicable to all of the tables relating to potential payments upon termination or termination after a change in control.

Disability or Death To the extent that an NEO participates in our pension plan, such NEO could be entitled to pension benefits upon death or disability according to the terms of the pension plan. The employment agreements provide that in the event of disability or death, in addition to payments under the Company's disability benefits plan or life insurance program, as applicable, and each as available to all salaried employees, each NEO is entitled to benefits paid under a supplemental disability insurance policy or supplemental life insurance policy, as applicable, maintained by the Company for the NEO's benefit. Pursuant to the terms of the Company's AIP, each NEO is also entitled to his or her pro-rated annual bonus for the year in which the disability or death occurs, payable at the same time as and to the extent that all other annual bonuses are paid and as available to all salaried employees.

Additionally, all unvested equity awards held by each NEO will immediately vest upon disability or death pursuant to the terms of the applicable award agreements.

Equity Acceleration Pursuant to the terms of their employment agreements, equity awards for all NEOs other than Mr. Knotts are treated in accordance with the underlying equity award agreements. These agreements specify that all equity awards are forfeited in the event of termination by the Company for any reason (other than death, disability or following a change of control) or in the event of the resignation of the NEO. With respect to Mr. Knotts, all outstanding equity awards will vest in the event Mr. Knotts' employment is terminated by the Company without Cause or if Mr. Knotts resigns for Good Reason. All NEOs, including Mr. Knotts, are generally entitled to immediate vesting of all outstanding equity awards upon termination following a change of control (as defined in the applicable performance incentive plan) under the terms of such performance incentive plan. PSUs will vest and become payable in accordance with the terms of the applicable award agreement in the event of any termination, with or without Cause, upon a change of control, or, with respect to Mr. Knotts, for any termination initiated by Mr. Knotts for Good Reason. Treatment of equity upon death or disability is discussed above in *Disability or Death*.

Value of accelerated RSUs is the fair market value on the date of termination. Value of accelerated PSUs is the fair market value on the date of determination. Value of accelerated options is determined by subtracting the exercise price from the fair market value on the date of termination. For purposes of the tables, fair market value is the closing price on December 31, 2018 (the last trading day of the fiscal year) of \$3.96.

Health Care Benefits The employment agreements generally provide that, after resignation for Good Reason (with respect to Mr. Knotts) or termination without Cause, the Company will continue providing medical, dental, and vision coverage to the NEO that the NEO was eligible to receive immediately prior to such termination for a period of time. For Mr. Knotts, this period is 24 months after such resignation or termination before a Change in Control, and the last day of the second calendar year following the calendar year in which such termination occurs after a Change in Control. For Messrs. Peterson, O'Brien, Pecaric and Ryan, this period is 18 months after such resignation or termination. In the event of resignation other than for Good Reason or termination with Cause, the NEO is entitled to the same benefits as all other employees would be entitled to after termination. Benefits payable upon disability or death are described above in Disability or Death.

280G Tax Treatment Upon a change in control (as defined in Section 4999) of the Company, an NEO may be subject to certain excise taxes under Section 4999 of the Internal Revenue Code with respect to payments that are treated as excess parachute payments under Section 280G. With respect to Mr. Knotts, the Company will reduce the amount of the payments the NEO would otherwise be entitled to receive to below the threshold triggering the excise taxes under Section 4999, provided that the net, after-tax benefit to the NEO is higher.

The tables assume that termination, including termination following a Change in Control, took place on December 31, 2018 based on the arrangements in place with each NEO on such date.

Table of Contents**POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL**

Mr. Knotts, the Company's President and Chief Executive Officer, would be entitled to the following:

	Resignation for Good Reason or Termination Without Cause	Resignation for other than Good Reason or Cause	Resignation for Good Reason or Termination Without Cause after Change in Control	Disability	Death
	(\$)	(\$)	(\$)	(\$)	(\$)
Cash:					
Base Salary	1,957,000 ⁽¹⁾		2,925,715 ⁽²⁾	⁽³⁾	
Bonus	2,446,250 ⁽¹⁾		3,657,144 ⁽²⁾	⁽⁴⁾	⁽⁴⁾
Lump Sum			75,000		
Equity: ⁽⁵⁾					
Restricted Share Units ⁽⁶⁾	2,158,750		2,158,750	2,158,750	2,158,750
Performance Units ⁽⁷⁾			912,352	912,352	912,352
Benefits and Perquisites: ⁽⁸⁾					
Post-Termination Health Care	32,916		32,916		
Supplemental Life Insurance	4,100		4,100		2,000,000 ⁽⁹⁾
Supplemental Disability Insurance	28,900		28,900	3,130,000 ⁽¹⁰⁾	
Financial Planning	24,000		24,000		
Car Allowance	33,600		33,600		
Total:	6,685,516		9,852,478	6,201,102	5,071,102

(1) Mr. Knotts is entitled to 2x base salary and 2x target annual bonus as if all targets and objectives had been met, paid over the applicable severance period.

(2) Mr. Knotts is entitled to 2.99x base salary and 2.99x target annual bonus as if all targets and objectives had been met, paid over the applicable severance period. Mr. Knotts is also entitled to his pro-rated annual bonus for the year in which the termination after a Change in Control occurs, payable at the same time as and to the extent that all other annual bonuses are paid. This bonus is not reflected in this table as, assuming a termination date of December 31, 2018, Mr. Knotts would have been entitled to this bonus pursuant to the terms of the AIP under which the annual bonus is paid (which provides for payment of the bonus to any participant who is on the payroll of the Company as of December 31) which are the same terms generally available to all salaried employees who

participate in the plan.

- (3) Mr. Knotts is entitled to the same 50% of base salary until age 65 with a maximum \$10,000 per month that is generally available to all salaried employees upon disability.
- (4) Pursuant to the terms of the Company's AIP, Mr. Knotts is entitled to his pro-rated annual bonus for the year in which the disability or death occurs, payable at the same time as, and to the extent that, all other annual bonuses are paid which are the same terms generally available to all salaried employees who participate in the plan. As Mr. Knotts would have been entitled to his annual bonus on December 31 pursuant to the terms of the AIP, the bonus is not reflected in this table for a termination due to death or disability.
- (5) Assumes a price per share of \$3.96 on December 31, 2018.
- (6) All unvested equity awards held by Mr. Knotts will immediately vest under the terms of the 2012 and 2017 PIP.
- (7) All unvested PSU awards held by Mr. Knotts will forfeit upon a Resignation for Good Reason or Termination Without Cause (without a Change in Control) and vest at 50% (or actual, if greater) under the terms of the 2012 and 2017 PIP for Change in Control, Disability or Death scenarios.
- (8) Except as disclosed, Mr. Knotts receives the same benefits that are generally available to all salaried employees upon death or disability.
- (9) Represents benefits payable under a supplemental life insurance policy maintained by the Company for the benefit of Mr. Knotts in excess of the amount generally available to all salaried employees.
- (10) Represents benefits payable under a supplemental disability insurance policy maintained by the Company for the benefit of Mr. Knotts in excess of the amount generally available to all salaried employees.

Table of Contents**POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL**

Mr. Peterson, the Company's Executive Vice President and Chief Financial Officer, would be entitled to the following:

	Termination Without Cause	Termination With Cause	Termination Without Cause after a Change in Control	Disability	Death
	(\$)	(\$)	(\$)	(\$)	(\$)
Cash:					
Base Salary	575,000 ⁽¹⁾		575,000 ⁽¹⁾	⁽²⁾	
Bonus	460,000 ⁽¹⁾		460,000 ⁽¹⁾	⁽³⁾	⁽³⁾
Equity: ⁽⁴⁾					
Restricted Share Units ⁽⁵⁾	500,000		489,187	489,187	489,187
Performance Share Units ⁽⁶⁾			219,814	219,814	219,814
Benefits and Perquisites: ⁽⁷⁾					
Post-Termination Health Care Supplemental Life Insurance ⁽⁸⁾	7,633		7,633		2,000,000
Supplemental Disability Insurance ⁽⁹⁾				2,492,667	
Financial Planning Car Allowance					
Total:	1,542,633		1,751,634	3,201,668	2,709,001

- (1) Mr. Peterson is entitled to 1x base salary and 1x target annual bonus as if all targets and objectives had been met, paid over the applicable severance period.
- (2) Mr. Peterson is entitled to the same 50% of base salary until age 65 with a maximum \$10,000 per month that is generally available to all salaried employees upon disability.
- (3) Pursuant to the terms of the Company's AIP, Mr. Peterson is entitled to his pro-rated annual bonus for the year in which the disability or death occurs, payable at the same time as and to the extent that all other annual bonuses are paid which are the same terms generally available to all salaried employees who participate in the plan. As Mr. Peterson would have been entitled to his annual bonus on December 31 pursuant to the terms of the AIP, the bonus is not reflected in this table for a termination due to death or disability.

- (4) Assumes a price per share of \$3.96 on December 31, 2018.
- (5) Pursuant to the terms of his unemployment agreement, the unvested grant value of Mr. Peterson's October 2016 equity award would be paid upon a termination without cause. All unvested equity awards held by Mr. Peterson will immediately vest upon disability or death, pursuant to the terms of the applicable award agreements.
- (6) All unvested PSU awards held by Mr. Peterson will forfeit upon a Termination with Cause without a change of control and vest at 50% (or actual, if greater) under the terms of the 2012 and 2017 PIP in the event of a change of control, disability or death.
- (7) Except as disclosed, Mr. Peterson receives the same benefits that are generally available to all salaried employees upon death or disability
- (8) Represents benefits payable under a supplemental life insurance policy maintained by the Company for the benefit of Mr. Peterson in excess of the amount generally available to all salaried employees.
- (9) Represents benefits payable under a supplemental disability insurance policy maintained by the Company for the benefit of Mr. Peterson in excess of the amount generally available to all salaried employees.

Table of Contents**POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL**

Mr. O'Brien, the Company's Executive Vice President and Chief Information Officer, would be entitled to the following:

	Termination Without Cause	Termination With Cause	Termination Without Cause after a Change in Control	Disability	Death
	(\$)	(\$)	(\$)	(\$)	(\$)
Cash:					
Base Salary	712,500 ⁽¹⁾		712,500 ⁽¹⁾	(2)	
Bonus	570,000 ⁽¹⁾		570,000 ⁽¹⁾	(3)	(3)
Equity: ⁽⁴⁾					
Restricted Share Units ⁽⁵⁾			272,365	272,365	272,365
Performance Share Units ⁽⁶⁾			96,622	96,622	96,622
Benefits and Perquisites: ⁽⁸⁾					
Post-Termination Health Care	7,637		7,637		
Supplemental Life Insurance ⁽⁸⁾					2,000,000
Supplemental Disability Insurance ⁽⁹⁾				1,550,500	
Financial Planning Car Allowance					
Total:	1,293,956		1,662,942	1,919,487	2,368,987

(1) Mr. O'Brien is entitled to 1.5x base salary and 1x target annual bonus as if all targets and objectives had been met, paid over the applicable severance period.

(2) Mr. O'Brien is entitled to the same 50% of base salary until age 65 with a maximum \$10,000 per month that is generally available to all salaried employees upon disability.

(3) Pursuant to the terms of the Company's AIP, Mr. O'Brien is entitled to his pro-rated annual bonus for the year in which the disability or death occurs, payable at the same time as and to the extent that all other annual bonuses are paid which are the same terms generally available to all salaried employees who participate in the plan. As Mr. O'Brien would have been entitled to his annual bonus on December 31 pursuant to the terms of the AIP, the bonus is not reflected in this table for a termination due to death or disability.

- (4) Assumes a price per share of \$3.96 on December 31, 2018.
- (5) All unvested equity awards held by Mr. O'Brien will immediately vest upon disability or death, pursuant to the terms of the applicable award agreements.
- (6) All unvested PSU awards held by Mr. O'Brien will forfeit upon a Termination with Cause without a change of control and vest at 50% (or actual, if greater) under the terms of the 2012 and 2017 PIP in the event of a change of control, disability or death.
- (7) Except as disclosed, Mr. O'Brien receives the same benefits that are generally available to all salaried employees upon death or disability
- (8) Represents benefits payable under a supplemental life insurance policy maintained by the Company for the benefit of Mr. O'Brien in excess of the amount generally available to all salaried employees.
- (9) Represents benefits payable under a supplemental disability insurance policy maintained by the Company for the benefit of Mr. O'Brien in excess of the amount generally available to all salaried employees.

Table of Contents**POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL**

Mr. Pecaric, the Company's President, RRD Business Services, would be entitled to the following:

	Termination Without Cause	Termination With Cause	Termination Without Cause after a Change in Control	Disability	Death
	(\$)	(\$)	(\$)	(\$)	(\$)
Cash:					
Base Salary	500,000 ⁽¹⁾		500,000 ⁽¹⁾	⁽²⁾	
Bonus	400,000 ⁽¹⁾		400,000 ⁽¹⁾	⁽³⁾	⁽³⁾
Equity: ⁽⁴⁾					
Restricted Share Units ⁽⁵⁾			371,345	371,345	371,345
Performance Share Units ⁽⁶⁾			154,872	154,872	154,872
Benefits and Perquisites: ⁽⁷⁾					
Post-Termination Health Care	7,633		7,633		
Supplemental Life Insurance ⁽⁸⁾					2,000,000
Supplemental Disability Insurance ⁽⁹⁾				1,995,333	
Financial Planning Car Allowance					
Total:	907,633		1,433,850	2,521,550	2,526,217

(1) Mr. Pecaric is entitled to 1x base salary and 1x target annual bonus as if all targets and objectives had been met, paid over the applicable severance period.

(2) Mr. Pecaric is entitled to the same 50% of base salary until age 65 with a maximum \$10,000 per month that is generally available to all salaried employees upon disability.

(3) Pursuant to the terms of the Company's AIP, Mr. Pecaric is entitled to his pro-rated annual bonus for the year in which the disability or death occurs, payable at the same time as and to the extent that all other annual bonuses are

paid which are the same terms generally available to all salaried employees who participate in the plan. As Mr. Pecaric would have been entitled to his annual bonus on December 31 pursuant to the terms of the AIP, the bonus is not reflected in this table for a termination due to death or disability.

- (4) Assumes a price per share of \$3.96 on December 31, 2018.
- (5) All unvested equity awards held by Mr. Pecaric will immediately vest upon disability or death, pursuant to the terms of the applicable award agreements.
- (6) All unvested PSU awards held by Mr. Pecaric will forfeit upon a Termination with Cause without a change of control and vest at 50% (or actual, if greater) under the terms of the 2012 and 2017 PIP in the event of a change of control, disability or death.
- (7) Except as disclosed, Mr. Pecaric receives the same benefits that are generally available to all salaried employees upon death or disability
- (8) Represents benefits payable under a supplemental life insurance policy maintained by the Company for the benefit of Mr. Pecaric in excess of the amount generally available to all salaried employees.
- (9) Represents benefits payable under a supplemental disability insurance policy maintained by the Company for the benefit of Mr. Pecaric in excess of the amount generally available to all salaried employees.

Table of Contents**POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL**

Mr. Ryan, the Company's President, RRD marketing Solutions would be entitled to the following:

	Termination Without Cause	Termination With Cause	Termination Without Cause after a Change in Control	Disability	Death
	(\$)	(\$)	(\$)	(\$)	(\$)
Cash:					
Base Salary	550,000 ⁽¹⁾		550,000 ⁽¹⁾	(2)	
Bonus	440,000 ⁽¹⁾		440,000 ⁽¹⁾	(3)	(3)
Equity: ⁽⁴⁾					
Restricted Share Units ⁽⁵⁾			252,973	252,973	252,973
Performance Share Units ⁽⁶⁾			75,519	75,519	75,519
Benefits and Perquisites: ⁽⁷⁾					
Post-Termination Health Care	4,849		4,849		
Supplemental Life Insurance ⁽⁸⁾					2,000,000
Supplemental Disability Insurance ⁽⁹⁾				2,512,000	
Financial Planning Car Allowance					
Total:	994,849		1,323,341	2,840,492	2,328,492

- (1) Mr. Ryan is entitled to 1x base salary and 1x target annual bonus as if all targets and objectives had been met, paid over the applicable severance period.
- (2) Mr. Ryan is entitled to the same 50% of base salary until age 65 with a maximum \$10,000 per month that is generally available to all salaried employees upon disability.
- (3) Pursuant to the terms of the Company's AIP, Mr. Ryan is entitled to pro-rated annual bonus for the year in which the disability or death occurs, payable at the same time as and to the extent that all other annual bonuses are paid which are the same terms generally available to all salaried employees who participate in the plan. As Mr. Ryan would have been entitled to his annual bonus on December 31 pursuant to the terms of the AIP, the bonus is not reflected in this table for a termination due to death or disability.

- (4) Assumes a price per share of \$3.96 on December 31, 2018.
- (5) All unvested equity awards held by Mr. Ryan will immediately vest upon disability or death, pursuant to the terms of the applicable award agreements.
- (6) All unvested PSU awards held by Mr. Ryan will forfeit upon a Termination with Cause without a change of control and vest at 50% (or actual, if greater) under the terms of the 2012 and 2017 PIP in the event of a change of control, disability or death.
- (7) Except as disclosed, Mr. Ryan receives the same benefits that are generally available to all salaried employees upon death or disability.
- (8) Represents benefits payable under a supplemental life insurance policy maintained by the Company for the benefit of Mr. Ryan in excess of the amount generally available to all salaried employees.
- (9) Represents benefits payable under a supplemental disability insurance policy maintained by the Company for the benefit of Mr. Ryan in excess of the amount generally available to all salaried employees.

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In accordance with Item 402(u) of Regulation S-K, public companies are required to disclose the ratio of the median annual total compensation of all employees other than the CEO to the annual total compensation of the CEO. In accordance with this rule, we are providing the following information about the relationship of the median annual total compensation of our employees and the annual total compensation of Daniel L. Knotts, our CEO. The SEC rule permits a company to identify its median employee only once every three years, unless there has been a change in its employee population or employee compensation arrangements that the company reasonably believes would result in a significant change in the pay ratio disclosure. There has been no change in our employee population or employee compensation arrangements that we believe would significantly impact the pay ratio disclosure. Therefore, we elected to use the same median employee we identified in 2017 for purposes of calculating the CEO pay ratio for 2018.

For the fiscal year ended December 31, 2018, the annual total compensation of our previously identified median employee was \$26,034 and the annual total compensation of Mr. Knotts as set forth in the summary compensation table on page 22 of this proxy statement was \$5,822,882. Based on this information, the ratio of the total annual compensation of Mr. Knotts to the median of the annual total compensation of all employees was estimated to be 223 to 1. This pay ratio is a reasonable estimate calculated in a manner consistent with SEC rules based on payroll and employment records and the methodologies described below.

To identify our median employee in 2017 we pulled base salary and hourly wages (including overtime) for each of our approximately 42,700 employees globally as of December 31, 2017. No cost-of-living adjustment was applied and we used an exchange rate based on the monthly average for December 2017 to convert salaries and wages to comparable US dollar amounts.

In accordance with SEC rules and interpretations, for purposes of this calculation, we excluded employees from the following countries based on the small number of employees in each such country: Costa Rica (27 employees), Czech Republic (294 employees), Grenada (6 employees), Guatemala (13 employees), Honduras (41 employees), Mexico (835 employees), Saint Lucia (7 employees), Sri Lanka (680 employees) and Trinidad and Tobago (20 employees).

This process resulted in a median group consisting of several employees and a representative employee was selected in accordance with SEC guidance. Our resulting median employee is located in Asia.

The SEC's rules for identifying our median compensated employee and calculating the pay ratio based on that employee's annual total compensation allow companies to adopt a variety of methodologies, to apply certain exclusions and to make reasonable estimates and assumptions to reflect the employee population and compensation practices. As a result, the pay ratio reported by other companies may not be comparable to the pay ratio determined above, as other companies have different employee populations and compensation practices and may use different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios.

RRD 2019 Notice of Meeting and Proxy Statement

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DIRECTOR COMPENSATION PROGRAM

Pursuant to the Company's director compensation program, each non-employee director receives an annual cash retainer of \$105,000 and an annual equity retainer with a fair market value of \$140,000. In addition, each director will also receive, as applicable, the following additional cash and equity retainers:

Cash:

- \$25,000, for serving as the chair of the Audit or HR Committees;
- \$20,000, for serving as chair of Corporate Responsibility & Governance Committee;
- \$75,000, for serving as chair of the Board.

Equity:

- \$75,000, for serving as the chair of the Board

Director RSUs vest ratably over the life of the grant with the opportunity to defer any tranche of vesting RSU until termination of service on the Board. In the event of termination of service on the Board prior to a vesting date, all RSUs will vest. Dividend equivalents on the awards are deferred (credited with interest quarterly at the same rate as five-year U.S. government bonds) and paid out in cash with the corresponding RSU.

Fair market value is defined as the closing price of the Company's stock on the date of grant.

No changes were made to the director compensation program in 2018 from the prior year.

Pension

Under the Wallace Computer Services Directors Pension Plan, Mr. Pope will receive quarterly payments of \$6,250 starting at the later of age 60 or termination of service on the Board and continuing until the balance in such director's pension account has been paid out. As of December 31, 2018, Mr. Pope had a balance of \$175,000. No other director will receive payments under this plan as the plan is frozen.

Mr. Pope also receives a benefit under the Moore Wallace Capital Accumulation Plan for Directors. Under this plan, Mr. Pope receives an annual payment of \$5,331, continuing until age 80. No other director receives payments under this plan and the plan is frozen.

Benefits

Non-employee directors may also elect to participate in the Company's medical benefit plans. Any director who so elects pays the full cost of participation as if such director were a retiree of the Company.

Stock Ownership Requirements

The Board has established stock ownership guidelines for all non-employee directors. These guidelines are designed to encourage the Board to have a meaningful equity ownership in the Company, thereby linking their interests with

those of our stockholders. Pursuant to the stock ownership guideline, each non-employee director is expected to own and retain 50,000 shares of capital stock or equivalents in the Company within five years from the annual meeting at which he or she is elected to the Board. For those non-employee directors who do not meet the guideline, it is expected that progress will be made towards the goal on an annual basis. The Corporate Responsibility & Governance Committee monitors compliance with the guidelines and conducts a formal review on an annual basis.

Table of Contents**DIRECTOR COMPENSATION****2018 NON-EMPLOYEE DIRECTOR COMPENSATION TABLE**

Directors who are our employees receive no additional fee for service as a director. Non-employee directors receive compensation as described above.

Name	Fees Earned			Total
	or Paid in		All Other	
	Cash	Stock Awards	Compensation	
	(\$) ⁽¹⁾	(\$) ⁽²⁾	(\$) ⁽³⁾	(\$)
Irene M. Esteves	105,000	139,999	4,432	249,430
Susan M. Gianinno	125,000	139,999	7,463	272,462
Jeffrey G. Katz			12,032	12,032
Timothy R. McLevish	130,000	139,999	6,076	276,075
Jamie Moldafsky	105,000	139,999	6,076	251,075
P. Cody Phipps	130,000	139,999	6,076	276,075
John C. Pope	180,000	214,998	54,026	449,023

(1) In accordance with the director compensation plan effective October 1, 2016, amounts in this column include an annual retainer of \$105,000 plus \$25,000 for serving as the chair of the Audit or HR Committees; \$20,000 for serving as the chair of the Corporate Responsibility & Governance Committee; and \$75,000 for serving as the chair of the Board.

(2) The amounts shown in this column constitute restricted share units granted under the Company's 2017 PIP awarded as payment of non-employee director annual retainer and fees for serving as chairperson of the Board or committees calculated as set forth above. The grant date fair value with respect to the restricted share units is determined in accordance with ASC Topic 718. See Note 16 to the Consolidated Financial Statements included in our Annual Report on Form 10-K for the year ended December 31, 2018 for a discussion of the relevant assumptions used in calculating grant date fair value pursuant to ASC Topic 718.

(3) Includes interest accrued on dividend equivalents on restricted share awards credited to each director's account.

- (4) Includes \$8,785.18 in dividends paid and interest accrued on amounts held in Mr. Pope's director's account under the Wallace Computer Services Inc. Director Retainer Fee Plan pursuant to which the director retainer fees were credited as shares of stock in Company maintained accounts, similar to phantom stock. Dividends paid and interest accrued on these shares are accrued and credited as additional shares on December 31 of each year. At year end, an additional purchase of shares was made with the dividends and interest earned in 2018. That purchase resulted in an additional 2,025 shares being purchased. As of December 31, 2018, Mr. Pope held a total of 21,196 shares of RRD common stock in the Wallace Computer Services Inc. Director Retainer Fee Plan. Mr. Pope's amount also includes a \$5,331 annual annuity payment payable to Mr. Pope under the Wallace Capital Accumulation Plan (the CAP), a frozen deferred compensation plan in which Mr. Pope participated while a director of Wallace Computer Services. The CAP provides for 15 annuity payments to be paid beginning at age 65.

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The Company has a written policy relating to approval or ratification of all transactions involving an amount in excess of \$120,000 in which the Company is a participant and in which a related person has or will have a direct or indirect material interest, including without limitation any financial transaction, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar transactions, arrangements or relationships, subject to certain enumerated exclusions. Under the policy, such related person transactions must be approved or ratified by (i) the Corporate Responsibility & Governance Committee or (ii) if the Corporate Responsibility & Governance Committee determines that the approval or ratification of such transaction should be considered by all of the disinterested members of the Board, such disinterested members of the Board by a majority vote. Related persons include any of our directors or certain executive officers, certain of our stockholders and their immediate family members.

In considering whether to approve or ratify any related person transaction, the Corporate Responsibility & Governance Committee or such disinterested directors, as applicable, may consider all factors that they deem relevant to the transaction, including, but not limited to, the size of the transaction and the amount payable to or receivable from a related person, the nature of the interest of the related person in the transaction, whether the transaction may involve a conflict of interest, and whether the transaction involves the provision of goods or services to the Company that are available from unaffiliated third parties and, if so, whether the transaction is on terms and made under circumstances that are at least as favorable to the Company as would be available in comparable transactions with or involving unaffiliated third parties.

To identify related person transactions, at least once a year all directors and executive officers of the Company are required to complete questionnaires seeking, among other things, disclosure with respect to such transactions of which such director or executive officer may be aware. In addition, each executive officer of the Company is required to advise the Chair of the Corporate Responsibility & Governance Committee of any related person transaction of which he or she becomes aware.

Section 16(a) of the Exchange Act requires the Company's officers and directors, and persons who own more than ten percent of the common stock of the Company, to file with the Securities and Exchange Commission reports of ownership of company securities and changes in reported ownership. Officers, directors and greater than ten percent stockholders are required by SEC rules to furnish the Company with copies of all Section 16(a) reports they file.

Based solely on a review of the copies of such forms furnished to the Company, or written representations from the reporting persons that no Form 5 was required, the Company believes that during 2018 all Section 16(a) filing requirements applicable to its officers, directors, and greater than ten percent beneficial owners were met.

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The Audit Committee has reviewed and discussed with management the Company's audited financial statements as of and for the year ended December 31, 2018. The Audit Committee has discussed with the Company's independent registered public accounting firm, which is responsible for expressing an opinion on the conformity of the Company's audited financial statements with generally accepted accounting principles, the matters required to be discussed by Public Company Accounting Oversight Board (PCAOB) Auditing Standard 1301, Communication with Audit Committees, including its judgments as to the quality of the Company's financial reporting. The Audit Committee has received from the independent registered public accounting firm written disclosures and a letter as required by applicable requirements of the PCAOB and discussed with the independent registered public accounting firm its independence from management and the Company. In considering the independence of the Company's independent registered public accounting firm, the Audit Committee took into consideration the amount and nature of the fees paid to the firm for non-audit services, as described on the next page.

During the course of the fiscal year ended December 31, 2018, management completed the documentation, testing and evaluation of the Company's system of internal control over financial reporting in response to the requirements set forth in Section 404 of the Sarbanes-Oxley Act of 2002 and related regulations.

In reliance on the review and discussions described above, the Audit Committee recommended to the Board of Directors that the year-end audited financial statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2018 for filing with the Securities and Exchange Commission.

The Audit Committee

Timothy R. McLevish, Chairman

Irene M. Esteves

John C. Pope

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The Audit Committee has policies and procedures that require the approval by the Audit Committee of all services performed by, and as necessary, fees paid to the Company's independent registered public accounting firm. The Audit Committee approves the proposed services, including the scope of services contemplated and the related fees, associated with the current year audit. In addition, Audit Committee pre-approval is also required for those engagements that may arise during the course of the year that are outside the scope of the initial services and fees pre-approved by the Audit Committee. The Audit Committee pre-approves, up to an aggregate dollar amount and individual dollar amount per engagement, certain permitted non-audit services anticipated to be provided by the Company's independent registered public accounting firm. In the event permitted non-audit service amounts exceed the thresholds established under the pre-approval policy, the Audit Committee must specifically approve such excess amounts. The Audit Committee chairman has the authority to approve any services outside the specific pre-approved non-audit services and must report any such approval at the next meeting of the Audit Committee.

Pursuant to the Sarbanes-Oxley Act of 2002, the fees and services provided as noted below were authorized and approved by the Audit Committee in compliance with the pre-approval policies and procedures described above.

Type of Fee	Fiscal 2018	Fiscal 2017
Audit Fees	\$ 5,639,000	\$ 5,968,000
Audit-Related Fees	\$ 1,143,000	\$
Tax Fees	\$ 73,000	\$